Daily Report

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Central American Presidents Arrive in Guatemala

PA1706182393 Guatemala City Cadena de Emisoras Unidas in Spanish 1730 GMT 17 Jun 93

[Text] The Central American presidents arrived one by one under heavy rain and strict security measures at the Guatemalan Air Force terminal on 17 June. Honduran President Rafael Leonardo Callejas arrived at 0830 [1430 GMT]. The Nicaraguan delegation, led by President Violeta de Chamorro, arrived in their plane moments later. Salvadoran President Alfredo Cristiani was the third president to arrive. A Mexican airplane carrying Costa Rican President Rafael Angel Calderon landed at 1015, and Panamanian President Guillermo Endara arrived five minutes later.

The five Central American presidents are visiting the country to express their support for President Ramiro De Leon Carpio. They were met by a small group of people, including the Central American ambassadors accredited in Guatemala. As the presidents arrived they were taken to the Presidential House to participate in the day's scheduled activities. They will reportedly hold a news conference this afternoon to reveal what they discussed during their brief meeting.

Issue Statement on Democracy

PA1706235693 Guatemala City Cadena de Emisoras Unidas in Spanish 2236 GMT 17 Jun 93

[Statement issued by Central American presidents at the Presidential Palace in Guatemala City on 17 June]

[Text] The presidents of the Republics of Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and Panama have gathered in Guatemala City on 17 June 1993 to reaffirm our commitment to the consolidation of peace and democratic development in the region.

Central America has made significant progress in the peace, democratization, and integration processes; in the definition of its own principles and goals; in the adoption of basic decisions on its political, economic, social, and cultural future; as well as strengthening regional democratic institutionality within the framework of the Central American Integration System. This effort must be expanded to include the constructive contribution of the different sectors of Central American society.

We share the strong conviction that the region's development is only possible through peace and democracy, which becomes more solid through representative and pluralistic systems of political organization, in keeping with the observance of human rights, the clear explanation of government duties, and respect of the constitutional state of law.

Central America is moving along the path of democratic institutions by improving and renovating institutions in keeping with the needs and characteristics of each country. The threats to institutional order have strengthened and rekindled the people's attitude in favor of democracy, which is deeply rooted in our societies.

After achieving democratic and constitutional regimes throughout Central America, it is necessary to continue perfecting their foundations with the assistance and participation of all citizens. This will permit us to reach social frameworks that will guarantee the full and dignified development of the individual.

We declare that the consolidation of democracy and peace will only be accomplished through the accomplishment of social justice and real human development. Therefore, we renew our commitment to fight poverty and struggle in favor of greater and better education, housing, health, and productive job opportunities for our people.

By virtue of all of the above, we pledge to promote and defend under any circumstances the respect of the basic rights of mankind. We reiterate our strong determination to continue deepening democracy and peace in Central America by promoting dialogue, agreements, and consensus, as well as by promoting the regional integration process.

We recognize with satisfaction that the recent political crisis in Guatemala was solved peacefully in strict compliance with the constitutional and legal procedures in this country. In this regard, we welcome gladly the contents of Resolution MRE/RES 2.93 on the restoration of democracy in Guatemala, which was approved by the Ad Hoc Meeting of Foreign Relations Ministers of OAS countries on 8 June 1993.

The presidents of Costa Rica, El Salvador, Honduras, Nicaragua, and Panama reiterate our public recognition of the determination displayed by all sectors of Guatemalan society, which fought decisively in favor of reestablishing constitutional order with patriotism, courage, and strong resolve. This allowed a prompt restoration of the state of law.

As a result of the strengthening of democratic institutionality, we express our firm support for the constitutional government of President Ramiro De Leon Carpio and the people of Guatemala as they reaffirmed their democratic vocation.

We express our desire to hold the next meeting of presidents in this city from 12 to 14 August 1993. The presidents of Costa Rica, El Salvador, Honduras, Nicaragua, and Panama wish to thank President Ramiro De Leon Carpio, his government, and the noble people of Guatemala for the invitation to this meeting and the hospitality that made this a successful meeting.

[Issued] Guatemala City, 17 June 1993

Comment on Situation

PA1806030893 Panama City ACAN in Spanish 0147 GMT 18 Jun 93

[Text] Guatemala City, 17 Jun (ACAN-EFE)—Panama and Costa Rica on 17 June justified the political asylum

granted to dismissed Guatemalan president and vice president, Jorge Serrano and Gustavo Espina, respectively, due to the 25 May self-inflicted coup.

In addition, Panamanian President Guillermo Endara confirmed he is paying the hotel expenses for Serrano at the most luxurious hotel in Panama, where Serrano has been residing with his wife, five children, and his Government Minister Francisco Perdomo since 6 June.

Endara and Rafael Angel Calderon were the presidents who received more questions during a news conference held by the presidents in the Guatemalan capital, following their meeting with their colleagues Rafael Callejas (Honduras), Alfredo Cristiani (El Salvador), Violeta Chamorro (Nicaragua), and host Ramiro De Leon Carpio.

The arguments of the two presidents on the "tradition of political asylum" of their countries and the promises to study carefully and in adherence with the law the possible extradition requests for Serrano and Espina, could not silence the criticism of Guatemalans regarding their decision.

Guatemalan courts have ordered the arrest of the former president and vice president, who were accused of breaking constitutional order on 28 May, in addition to 10 common crimes ranging from corruption to illegal enrichment.

Endara insisted that "the terms" of the asylum "must not be confused," because his administration does not give refuge to Serrano, but rather offers him asylum due to the historic tradition of his country, as occurred in the middle of last century with Honduran founding father Francisco Morazan.

Additionally, he explained that the Panamanian Government pays for the lodging of the former president at an exclusive hotel, but he does not know the rate. He added that Panama is doing this until "Serrano finds a house."

Guillermo Endara tried to excuse his Foreign Minister Julio Linares, who had said earlier that Serrano's stay did not represent an expense. He asserted that "perhaps Linares did not know that I had compromised myself."

This prompted Linares, who was among the public, to raise his voice and shout "I never said that, I said that Serrano's stay did not cost the Foreign Ministry one penny. This is a different thing."

Rafael Angel Calderon reiterated Costa Rica "has a long tradition of granting asylum to those who need it, especially our Central American brothers." He could not explain, however, what criteria was used to describe Espina as a politically persecuted person, considering the former official is being charged with common crimes. Although Guatemalan President Ramiro De Leon Carpio, who summoned the extraordinary summit meeting, noted his respect for international conventions and the independence of powers, he added his government will take all the appropriate steps to obtain the extraditions.

Salvadoran President Alfredo Cristiani, in turn, angrily rejected that he had intervened in favor of Serrano's coup, as a local reporter hinted. "At no time did I intervene; it was a joint action by the Central American presidents who wanted to find a way to be helpful, but it was not necessary because Guatemalans settled their problem," Cristiani stressed.

President Violeta Barrios de Chamorro merely answered that Serrano had offered her $50,000 to remove mines in her country, but after his ouster, "I think that money is lost," she said. Honduran President Rafael Leonardo Callejas remained an observer as he was not asked any questions.

The Central American presidents met on 17 June in Guatemala City to express their satisfaction over the peaceful manner in which the people of Guatemala resolved the crisis of 25 May and their support for Ramiro De Leon Carpio. The presidents agreed to meet again in Guatemala from 12 to 14 August to hold the 14th Central American summit.

Aladi Secretary General Interviewed

PY170212193 Asuncion ABC COLOR in Spanish 13 Jun 93 Economic Supplement p 7

[Interview with Antonio de Cerqueira Antunez, the new secretary general of the Latin American Integration Association, Aladi, by unidentified ABC reporter in Montevideo, Uruguay—no date given]

[Text] [ABC COLOR] How would you currently define the integration process?

[De Cerqueira] The reasons for integration have, to a certain extent, changed. Before the 1970's and 1980's the reasons for integration in Latin America were based on industrialization models, seeking to create a broader and protected market. The process was inspired on a model designed to "replace imports," which was an obvious paradox: On one hand it sought to broaden the market but, on the other hand, it compelled each country to close their markets to other countries.

The industrialization process was itself a contradiction: The model to replace imports.

The opening policy was implemented as one of the most important measures taken after the great economic, financial, and fiscal crisis occurred. At the same time the world tendency to form great economic blocs gained strength. These blocs were not formed by Latin American countries but by large countries, especially European and Eastern countries, and the United States.

A contradictory process then gained momentum: On one hand, an opening policy was implemented at the same time as the Uruguayan Round of the GATT talks was taking place, the opening process occurred just as various forms of protectionism were implemented.

The establishment of blocs and protectionist measures are characteristic of a developed world. We did not invent this process, we are suffering it.

For us integration appears as preparation for the challenges and the relationships to be imposed on us

Latin American countries have no alternative but to seek various forms of integration. This is where the integration process within the Aladi framework starts, with subregional and bilateral agreements.

The Andean Group Accord is gaining strength again because for a long time it had the full structure of an institution but no real commercial value. With this opening it suddenly intensified commercial relationships and other forms of integration within the Andean Group. The Andean Group is revived.

Moreover, Mercosur [Common Market of the South] is set in motion and several bilateral agreements are signed. All of them different from those of the LAFTA [Latin American Free Trade Association] and Aladi.

[ABC COLOR] Among the economic and integration blocs are the Andean Pact, Mercosur, and the free trade zone between Mexico and the United States. What are their differences and similarities?

[De Cerqueira] Mercosur and the Andean Group are in a similar situation: The situation of the Andean Group has changed just as the raison d'etre for Aladi has changed. Aladi integration really affects Mercosur, the Andean Group, and several bilateral agreements being reached by the Aladi member countries such as the recent agreement signed by Bolivia and Chile, and by Bolivia and Mexico.

This, in truth, is the best and fastest way to integrate countries, all within the framework of Aladi because in the 1980 Montevideo Treaty they are already mentioned as partial agreements designed for member countries to attain quick and deep-rooted integration. I would say that Mercosur, the Andean Group, and the bilateral agreements fall within the Aladi framework.

The integration between Mexico, the United States, and Canada so far is regarded merely as a Free Trade Agreement: The objectives of the others are a little broader.

Mercosur seeks to establish a common market; so does the Andean Group, and even the Aladi has as one of its long-term objectives the establishment a common market.

Once the Mercosur and the Andean Group Accord attain their objectives and conclude their deregulation process—first by establishing a free trade zone and then by implementing a customs union—only then will it be possible to paste together all the partial integration processes within Latin America and achieve Aladi's objective of establishing a common market.

Mexico has a natural challenge—it is the southern neighbor of the United States and the migration of Mexicans into that country is, in my opinion, a most violent process. Another issue that should be considered is that it is difficult to control such a long and easily crossable border. It is only natural then that Mexico should seek integration with the United States and Canada.

[ABC COLOR] What will happen to the integration of Mexico, the United States, and Canada, and their integration into Aladi?

[De Cerqueira] There is a peculiar situation in that there is this trend toward the coexistence of several types of integration. Likewise, one can wonder how EC coexists with GATT, which is a multilateral deregulation process. For us the question at present is, how are we Latin Americans going to coexist with North American integration—that of Mexico, the United States, and Canada—and the rest of our countries?

We are molding a way of developing relationships quite different from that of the past, seeking several concurrent integration processes. From a political standpoint, the statements by chiefs of state all point in that direction, and yet there no doubt whatsoever that unity within Aladi is firmly upheld. None of the member countries, for instance, wants Mexico to withdraw from Aladi, and it goes without saying that Mexico does not wish to leave Aladi.

From a political viewpoint, there is an obvious contradiction between the Treaty of Montevideo [establishing Aladi] and the North America Free Trade Agreement. Pursuant to Article 44 of the Aladi Treaty, Mexico should extend all its benefits to the other Aladi members. It is understood, however, that Mexico cannot.

We will see how we are going to solve that. An ad-hoc group was established to discuss and negotiate that issue and it is striving to solve it. A process has been launched, but there is a firm underlying intention to maintain unity.

It is difficult to pinpoint what course our integration process will take, but there are some very important trends, because, as I said before, we have no other option.

Today's world is characterized by blocs. What would Brazil gain, for example, if it applied a freer trade policy, one that would fall in with GATT's philosophy while the Europeans and the Americans continue their protectionist policies and their current blocs?

One must learn to negotiate. On the one hand, deregulation of trade is a must, but on the other hand, it means that integration enables each member country to have access to broader markets and to take advantage of the proximity of their productive structures to become more competitive in a world that is made up of blocs—and we must deal with them.

[ABC COLOR] Access—ground roads as well as ocean routes—are very important for the international trade of mediterranean countries like Paraguay and Bolivia. What is the role of the Parana-Paraguay waterway in the integration of land-locked countries?

[De Cerqueira] The Montevideo Treaty recognizes mediterranean countries as deserving compensation. I think integration was, and still is a solution to Bolivia's and Paraguay's lack of sea coasts. Without integration where will we discuss our problems and seek solutions?

The waterway and its implications are being discussed at this time. Projects provide important solutions to our countries' problems. The situation of mediterranean countries is being discussed as a problem affecting all countries. If we did not have integration, if the Aladi was not here, we would have had to discuss the problem country by country.

[ABC COLOR] Latin America went through a long period of dictatorships. Our countries coordinated diverse types of works but we advanced very little in the areas of integration and development. Do you think democracy is important for the materialization of Latin American integration projects?

[De Cerqueira] Integration is only possible, or much easier, under democracy. The proof of this is the strong boost toward integration when our countries began to consolidate their democratic systems.

As examples we can mention the Mercosur [Common Market of the South], the renewal of the Andean Group, and the revitalization of Aladi. We could demonstrate that democracy makes integration much easier. Integration is more difficult under authoritarian governments controlled by the military because they give priority to the theories of national defense and war contingencies. This is an objective fact.

It is known that in some cases, like in Europe, integration undoubtedly depends on democratic processes. That is a condition for becoming an EC member. It is not just an ideological demand, it is a practical necessity. Democratic processes help the integration process.

[ABC COLOR] Uruguayan President Luis Alberto Lacalle recently launched an integration process in the field of education that is called the Common Market of Knowledge. How does education and culture figure in the integration process, and are these areas of concern to Aladi?

[De Cerqueira] Culture and scientific and technological development concern Aladi. The decisions emanating from the latest Council of Ministers meetings—the association's highest political organ—are very clear in this respect. We have been instructed to develop our countries' cooperation in the fields of culture and science and technology. We are working on it now.

The importance of these topics is obvious. Culture, and science and technology cannot be absent from our integration efforts.

No one can advance with integration without taking action in these fields. We cannot develop science and technology in our countries without integration. We are working on a framework agreement in this context.

We know that the times we could obtain a comparative advantage based on cheap labor and abundant natural and energy resources is over. New technologies have eliminated that advantage. The economies' competitiveness is today an essential element.

Today we must invest strongly in education and culture. Educated people who can make good use of knowledge can be considered to be cultured. Not just cultured in the classical sense of the word, but also in the anthropological sense, that is, including the relations of humankind with society, with nature, and material and technical relations. It is the same concept used by anthropologists to study old civilizations.

Mercosur Technical Commissions Ask To Reformulate Timetable

PY1706171393 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1235 GMT 16 Jun 93

[Text] Montevideo, 16 Jun (AFP-NA)—A diplomatic source has confirmed to AFP that most technical subgroups handling the negotiations among Argentina, Brazil, Paraguay, and Uruguay have asked to reformulate the timetable for coordinating measures for the integration of the Common Market of the South (Mercosur).

The timetable was approved in late June 1992 during a summit held in Las Lenas, Argentina, by Argentine President Carlos Menem, sacked Brazilian President Fernando Collor de Mello, Paraguayan President Andres Rodriguez, and Uruguayan President Luis Alberto Lacalle.

"The subgroups' petition is based on the fact that it will be difficult to implement the timetable due to some shortcomings," but its possible reformulation will not have any impact on the deadlines for the implementation of a free trade zone by January 1995, the source told AFP.

The intraregional trade's tariff reductions, which will actually lead to a free trade zone, "will become effective within the established deadlines every six months, automatically and like clockwork when a tariff percentage reduction among the four countries becomes effective," the source noted.

As an example of "the timetable's shortcomings" the source pointed out that it will be impossible to establish the levels of common external tariffs for each line of production, as required by the Las Lenas timetable, because it is a "very complex" problem, and the same applies to the coordination of other established measures.

The subgroups' petition will be reviewed by the Common Market Group [Grupo Mercado Commun]—the subregional integration process' foremost technical organization—which will meet in Asuncion on 27 June. If the [Mercosur] summit is held, this issue will be reviewed by the presidents of the four countries on 1 July in the Paraguayan capital.

There is doubt about the holding of the presidential summit because Uruguay, for undisclosed reasons, proposed to the other partners that it be suspended and that a meeting of economy ministers and central bank presidents, who do not have political power to change the timetable, be held instead.

Nevertheless, if the Common Market Group recommends it "the timetable's reformulation may be considered a fait accompli, subject to approval by the next summit, whose date and venue would be set after the suspension of the next presidential summit in Asuncion is eventually approved."

Some negotiators in the technical groups, such as the Paraguayan Hernan Gomez and the Brazilian Alexandre Tombine, recently commented that the Common External Tariff (AEC) will only be implemented in 1994.

Subgroup 1 (trade affairs) and Subgroup 10 (macroeconomic coordination) experts are currently discussing the AEC's structure, which according to a decision made during the last summit, held in December in Montevideo, will range between 0 and 20 percent, with a small list of exceptions that will be protected by a 35 percent tariff.

The process toward establishing a subregional free trade zone involves 7 percent tariff reductions every six months for the trade among the four countries. The next tariff reduction will be implemented on 1 July 1993. Tariffs will reach the zero level on 1 January 1995.

After the last tariff reduction, implemented on 1 January 1993, the intraregional tariff equaled 32 percent of the tariffs applicable to other countries.

In Uruguay's case, the tariff currently totals 6 percent for raw materials, 15 percent for intermediate goods, and 20 percent for finished goods. After the intraregional reduction, these tariffs will total 1.92 percent, 4.8 percent, and 6.4 percent, respectively, for the Mercosur countries.

Cuba

Robaina Speaks on Resuming U.S. Relations, Clinton

PA1706175593 Madrid EFE in Spanish 1423 GMT 17 Jun 93

[Text] Buenos Aires, 16 Jun (EFE)—Cuban Foreign Minister Roberto Robaina said that U.S. President Bill Clinton "is a sensitive person, with a good background" to negotiate peace between the two countries.

"Entering the White House to negotiate will not be worse that entering hell," Robaina said in statements published in the Buenos Aires newspaper PAGINA 12 on 17 June.

Clinton "can do great things for his country and for the world," Robaina said, and stressed that the current U.S. president rejected the Vietnam war at the time.

Robaina admitted that Cuba "is better prepared for war than for peace and the day that the U.S. blockade is lifted more complicated battles will begin than the war itself."

However complicated these battles may be "they will never be comparable to what Cuba suffers today for the people's survival," Robaina added.

The foreign minister also highlighted that Cubans "are better informed on what goes on in the United States than the other way around, because the North Americans do not know what happens" in Cuba.

He added that Cuban leader Fidel Castro opted "for the toughest path" to stabilize the economy and in this regard "we try to adapt our economic model to existing formulas," without falling for neoliberalism or shock plans.

"We are not as bad as people depict us to be and we are not as good as we would like to be," commented Robaina, 37, who became foreign minister two months ago and who belongs to a generation "that has never lived under capitalism."

"The social achievements that were sacred for previous generations are rights that we already had at birth," Robaina added.

The Cuban foreign minister gave assurances that Cuba's foreign policy "is not defensive and does not spend time countering campaigns" of third countries, but spends time "spreading the truth" of what happens in Cuba.

"We do not have the resources to compete with the giant multinational media, but I am not going to remain silent because of that. I refuse to continue to be judged," Robaina added.

Robaina: 'Strong Polarization' at UN Human Rights Meeting

PA1806020893 Havana Radio Havana Cuba in Spanish 0000 GMT 18 Jun 93

[Report by Laura Yankowski in Vienna, Austria on interview with Roberto Robaina by an unidentified UN Radio reporter in Vienna on 18 June]

[Text] Cuban Foreign Minister Roberto Robaina, in an interview by the UN radio station at the Human Rights Conference in Vienna, said that Cuba believes in democracy, but believes the concept has been exceedingly manipulated. Let us listen to what he said.

[Begin recording] [Reporter] Mr. Minister what is your view on the conference?

[Robaina] There is strong polarization. In my opinion, only common sense and the will and possibility that no one side will take strong stances about the issues, will help us get something out of this, other than mere theorizing. I believe there are many sessions and many debates still pending because I do not think many of us will resign, as we are determined not to let anyone impose positions of force upon us or impose opinions that require a lot more discussion.

I cannot see as clearly the way to move forward as I see the extreme polarization. The style and form commission has just begun its work, and the first [word indistinct] are of strong debates. I trust, however, that the debates will at least help us see the way.

[Reporter] What issues are the countries discussing?

[Robaina] In my opinion there are two main positions. One is directed at the creation of procedural systems, which the North insists on implementing and I believe are very dangerous for the poor. They are dangerous not only for the poor, but for those of us who are not well liked by the powerful nations. In my view, that is very dangerous.

[Reporter] What principles are these?

[Robaina] These principles are the appointment of a high commissioner, the creation of an international court, and the desire to assign classes. Furthermore, to include within the same authority of the Security Council or with the same priority, the issue of human rights. [sentence as heard] I think that this, regarding such a long-term issue, could become a very disguised form of interference.

[Reporter] One of the issues states that without democracy there cannot be respect for human rights. Do you agree with that?

[Robaina] I agree with that, but I do not agree given the fact that democracy has been exceedingly manipulated. There is plenty to be said, precisely because there are concepts within democracy that have been so strongly imposed, partial, and manipulated.

[Reporter] Do you think there are human rights principles that are universal?

[Robaina] I do believe in the universality of those principles. I also believe, however, in their indivisible and interdependent nature. In my opinion, if we want talk of human rights, let us speak of all rights everywhere. The rules of the game must be fair, but in my opinion they are unfairly established.

[Reporter] What do you think about development and human rights? [Robania] I think there can be no real possibility of enjoying, developing, and (?practicing) human rights without the elemental right to development. That is why, I think there must be a relation; in fact, there is a very important relation. [end recording]

Robaina Meets Dignitaries, Faces Press Misunderstanding

FL1806021293 Havana Radio Rebelde Network in Spanish 2300 GMT 17 Jun 93

[Report by Lazaro Barredo from Vienna]

[Text] On 17 June, Austrian Chancellor Franz Vranitzky held a friendly meeting with Cuban Foreign Minister Roberto Robaina at the Federal Government Building. Robaina and Vranitzky, who is also president of the Austrian Social Democratic Party, discussed bilateral relations under the current circumstances. The Austrian chancellor was briefed on the Cuban situation as well as on very specific aspects of that reality in which he had expressed an interest. Robaina also met with Heinz Fischer, the president of the Austrian Federal Assembly, and (Peter Shieref), president of the Foreign Policy Commission of the Austrian Federal Assembly. The talks were very respectful and covered the usual subjects, bilateral relations and the Cuban situation. Other deputies were also present at the talks.

Likewise, Robaina held a cordial meeting with Brazilian Justice Minister Mauricio Correa on preparations for July's Ibero-American Summit in Bahia. Robaina met as well with the Libyan foreign minister, and Radis Abreu de Polanco, Dominican Foreign Ministry representative.

Unknown to the Cuban delegation, a misunderstanding with the press occured today. It is not known who did it or how, but it was announced that Robaina would hold a news conference. The Cuban delegation discovered this 40 minutes after the hour supposedly set for the meeting with reporters. The bothersome incident resulted in several reporters feeling stood up and understandably angered. Given the intensity of Robaina's work schedule, he had not organized such a meeting, but is granting interviews as time permits. Since Monday, he has conducted over 20 interviews with important news agencies.

The incident generated maneuvering and speculation. Several journalists approached the Cuban bench to determine if it was true that Cuba was withdrawing from the conference as a result of problems with the PRC and Mexico. This was immediately denied by Cuban delegate Juana Silvera during an interview with reporters.

Commentary on Position at Human Rights Conference

PA1806025093 Havana Radio Havana Cuba in Spanish 0000 GMT 18 Jun 93

[Roberto Morejon commentary]

[Text] Western propaganda attempts to divide the Third World through manipulation and the World Conference on Human Rights. In this way, it avoids the formation of a common front that would endanger the North's eagerness to impose its will on the South in the final declaration. Even though the Cuban Government's actions are open, there are attempts—at times in a subtle manner, others openly—to question its arguments, to present the nation as a dividing force among the regional nations and the Third World, and to obstruct the Cuban representatives' actions in Vienna.

Cuba does not hide that it sides with the poor nations to avoid the manipulation of decisions by the so-called First World at the World Human Rights Conference. Cuba wants that [words indistinct] the criteria prevails that fundamental liberties cannot be tied to the political order. These liberties, linked to social, cultural, and economic aspects are as important or more important as the political order. The Latin Americans agree on this principle, but they have differences on the creation of new super nationalists' mechanisms on the control of the citizens priorities. Cuba believes that a high commissioner and an International Court of Justice cannot be established without first establishing their duties. Besides, it must be considered that these type of structures can become new variations of intervention.

Cuba's call for clearer definitions in this respect is not an attempt to separate the Latin American nations. Quite the contrary, it is reasonable that all parties present their points of view in the search for possible agreements.

In addition to presenting Cuba as an alleged dividing force, this country's enemies also tried to spark an incident at the Vienna conference hall. The show [previous word in English], which was staged by counterrevolutionaries of Cuban extraction and their European cohorts, was aborted because the forum's participants, including a group of U.S. citizens, unmasked the demonstrators.

As much as they try, however, Cuba's clear message cannot be silenced and this was established with Cuban Foreign Minister Roberto Robaina's intervention. Cuba's enemies will not be able to stop demonstrations in support of Cuba either, as was observed with the demand presented to the international community by more than 100 nongovernmental organizations requesting that it demand the end of the U.S. blockade.

U.S. Study of Nuclear Warhead Manufacture Noted

FL1706183093 Havana Radio Rebelde Network in Spanish 1700 GMT 17 Jun 93

[Text] It has been reported in Washington that the U.S. Government is studying the [possibility of] manufacturing small nuclear warheads to use them against its enemies in the Third World. Scientists at laboratories in Los Alamos, New Mexico and (?Livermore) in California are studying the idea of nuclear warheads that would produce low levels of radioactive contamination, warheads that can be put into guided missiles and fired against underground bunkers.

(William Atkin), director of military research of the Environmental Defense Group [el grupo defensa del medio ambiente], has expressed his astonishment at the fact that Bill Clinton's administration has approved funds for nuclear minibomb feasibility studies, for Clinton came to power by promising to cut back arsenals of this kind.

Moncada II-93 Exercise Termed 'Positive'

FL1706212393 Havana Radio Rebelde Network in Spanish 1700 GMT 17 Jun 93

[Text] Cuba's Western Military Command has described as positive the evolution of the Moncada II-93 exercise, which ends today.

In the first place, the Moncada II-93 exercise allowed for establishing cooperation among the different provincial forces. The municipal defense councils—which in wartime are the groups principally responsible for deciding how the forces in their territory will be deployed—played a fundamental role.

At the closing address, Division General Ulises Rosales del Toro, chief of the General Staff and a first vice minister of the Ministry of the Revolutionary Armed Forces, pointed out the need for greater flexibility and decentralization of operations, which will allow each force to make decisions based on their actual situation.

Another matter that Rosales highlighted had to do with forms of combat by the population, which should constitute a style of warfare for provincial troops. During this exercise, special attention was paid to defense zones where the most accomplished experts reside, experts who will be able to provide the best direction in the field when the time comes to do battle.

The defense zones, in cooperation with the municipal councils, should keep very much in mind their great responsibility for ensuring the troops' logistical needs are met.

FAR Tank Units Save Fuel, Ammunition in Maneuvers

FL1806135393 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 18 Jun 93

[Text] Western Army tank units are carrying out complex maneuvers with less fuel and ammunition. They have been able to reduce the use of ammunition and can destroy the target with just one shot. The officers and soldiers are participating in the most complicated of activities in preparation for a total blockade of Cuba. Fuel conservation is significant. The principle is to avoid affecting the economy and to increase combat capability.

The units fight and produce at the same time. They are self-sufficient in food and ammunition. Everything is done under wartime conditions.

[Begin unidentified speaker recording] Using dummy targets and trainers, we are doing the work we previously did in the field; with this training, we then work in the field where all our small units become proficient, as you have seen during these three days of exercises. [end recording]

It seems impossible to carry out these exercises during the special period; but the Revolutionary Armed Forces knew how to save, invent, and exploit their resources. That is the reason a maneuver as complex as Moncada II-93 can be executed today.

Alarcon Praises People's Councils Role

FL1806022093 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 18 Jun 93

[Text] The performance of the People's Council in Cienfuegos Province was analyzed on 17 June in the provincial assembly of the People's Government.

New goals and a more difficult period await the People's Councils almost five years since the creation of the first bodies of its kind in the province. The delegates to the provincial People's Government meeting agreed that the result of the last five years of work is positive. Despite the logical difficulties and shortcomings of a task of this magnitude, there were many examples of how the councils have promoted solutions to food, service, and recreation problems by taking utmost advantage of local resources and cooperation from every sector.

The delegates also discussed the progress of the energy program. The population's participation in energy conservation and efficiency-boosting efforts has resulted in a significant decline in energy consumption during the last three years. However, there is still much to do in terms of energy conservation. The sugar industry, hydraulic resources, and nonconventional energy sources are potentials that have not yet been fully tapped. So far, one of the most significant results is its implementation in the People's Councils where the population's initiative is yielding important results. [sentence as heard]

The subject of the People's Councils was discussed by Ricardo Alarcon de Quesada.

[Begin recording] I believe that they are an institution, an organization which, as a comrade said during the meeting, is here to stay; in other words, not only for the special period, not only for a specific stage of Cuba's evolution. I believe they are the basic cells of a truly democratic system. [end recording]

Council of State members Nelson Torres Perez, a Politburo member and the first secretary of the Communist Party of Cuba for Cienfuegos, and Eslindo Loco, the president of the Camilo Cienfuegos People's Council, were also in attendance.

'Outstanding' Workers To Enjoy Tourist Centers

PA1706200693 Havana Radio Havana Cuba in Spanish 0000 GMT 17 Jun 93

[Roberto Morejon Commentary]

[Text] The necessary conditions have been created so that outstanding Cuban workers will be able to enjoy well-deserved vacations in tourist centers of the country.

In Cuba, the export of tourist services as a source of foreign currency, calls for foreign vacationers to be the exclusive users of a portion of the hotel installations. However, the government guarantees that a percentage of these installations will be enjoyed by outstanding workers.

The Cuban situation, affected by the dismantling of the Socialist bloc and the U.S. economic blockade, makes it necessary to concentrate the scarce resources into areas that produce foreign currency in short term. The tourist industry is one of those alternatives, and in order to promote its accelerated development the government, has signed agreements with entrepreneurs who invest in Cuba because here they find excellent natural conditions and social stability.

That is correct, and although a considerable number of hotel rooms have been built in Cuba—there will be 30,000 by 1995—this is still not enough to handle the demand of the foreign and local vacationers. Therefore, the latter have limited possibilities of recreation.

The Cuban situation does not allow offering the domestic market the goods and services that were created for international tourism, inasmuch as the high purchasing level of the various sectors of the population would eliminate that offer and the investments would lose their economic sense.

As the tourism facilities are not enough for all the nationals, scientists, and other outstanding workers with their relatives have access to lodgings and entertainment in state installations.

In 1992, nearly 5.5 million Cubans enjoyed all of the recreational facilities provided by social organizations. The Cuban labor unions reported that they have 1,523 facilities in hotels, beaches, and tourism centers available for this summer's vacations to stimulate the most outstanding workers of the country.

For their part, those who do the best job in the sugar industry and sugar cane agriculture will qualify for an additional 960 accommodations in the best recreation centers of the island and for 63,000 articles, including television sets, washers, fans, and other basic needs. In all cases, the workers' assemblies will be the only ones authorized to grant tourist lodgings and the aforementioned articles.

In this manner, the country is creating favorable conditions for recognizing and stimulating the best workers, in spite of the current unfavorable economic conditions.

Foreign Trade Minister Meets With Italian President

FL1706182593 Havana Radio Rebelde Network in Spanish 1700 GMT 17 Jun 93

[Text] Today, during a meeting between Italian President Oscar Luigi Scalfaro and Cuban Foreign Trade Minister Ricardo Cabrisas, Cuba and Italy reaffirmed their interest in developing bilateral economic relations. Scalfaro and Cabrisas reviewed fundamental issues for future relations between the two countries.

On 7 May, the governments signed an agreement to promote and protect investments, a decisive step in increasing economic, trade, and scientific exchanges.

Vietnamese Government Delegation Announces Jul Visit

FL1706182493 Havana Radio Rebelde Network in Spanish 1700 GMT 17 Jun 93

[Text] A Vietnamese Government and party delegation, headed by Prime Minister Vo Van Kiet, will visit Cuba during the first two weeks of July. A spokesperson for the Foreign Ministry affirmed that this visit will consolidate relations between Cuba and Vietnam. He also announced that the trip to Havana will be the last stop of a tour of several European cities, which the prime minister will begin next week.

Bermuda

House of Assembly Approves Drug Commission Act

FL1606181893 Bridgetown CANA in English 1624 GMT 16 Jun 93

[Text] Hamilton, Bermuda, June 16, CANA—Bermuda's House of Assembly has given the government's anti-drugs drive the go-ahead, backing a new act.

Health Minister Quinton Edness hailed it as an historic move in a battle Bermuda had to win.

"Government has passed a milestone," he said afterwards.

The National Drug Commission Act 1993 still has to go before the Senate (upper house). Mps spent two full sessions discussing it.

The legislation will set up a non-political organisation - the National Drugs Commission - to tackle Bermuda's widespread problem of drugs and alcohol. It follows recommendations of government consultant Dr. David Archibald.

The commission will deal with education, prevention, treatment, rehabilitation, enforcement, control, information, research and international co-operation.

The 16 members of the commission will be appointed by the governor on the recommendation of the premier.

The leader of the opposition will be consulted.

Cayman Islands

Number of Cuban Refugees Increases

FL1706180993 Bridgetown CANA in English 1745 GMT 17 Jun 93

[Text] George Town, Grand Cayman, Cayman Islands, June 17, CANA—Forty-two Cuban refugees, including a baby girl six months old, landed in the Cayman Islands late Sunday after sailing their 40-foot fishing boat through a tropical wave that was affecting the northwest Caribbean, officials here said.

Two additional Cuban refugees were picked up from a raft about 200 miles west of this British territory Sunday evening by the freighter Hybur Clipper and brought to Grand Cayman.

The group of 42 landed on sparsely populated Cayman Brac island, about 60 miles east of here.

The Cubans reportedly told Cayman immigration authorities they had been at sea for two days in heavy rains and swells before reaching Cayman Brac. They said their original hope was to make it to the United States.

A government spokesperson said the 42 included 15 men, 15 women and 12 children (7 boys and 5 girls) under the age of 12. The youngest was a six-weeks old baby girl.

The refugees were examined by doctors and found to be in good health, although efforts to determine if any of the newly arrived group suffer from the mystery eye disease currently affecting some 25,000 Cubans in that country were unsuccessful.

The 42 Cubans were to be airlifted to Grand Cayman as soon as housing arrangements can be made, said the spokesperson.

Efforts to erect a tent city camp for all refugees who reach Cayman, have been put on hold following demonstrations by local residents at two sites selected by government as possible locations.

With the arrival of 44 refugees, there are now 72 Cubans in the Cayman Islands waiting on U.S. immigration visas.

Dominican Republic

President Removes Presidency Secretary, Security Director

PA1706175493 Paris AFP in Spanish 1524 GMT 17 Jun 93

[Text] Santo Domingo, 17 Jun (AFP)—Government sources reported in Santo Domingo on 17 June that conservative Dominican President Joaquin Balaguer has dismissed former General Enrique Perez y Perez, secretary of state for the Presidency.

Hector Garcia Tejada, chief director of the state security department, was also dismissed.

Domingo Gutierrez was appointed to replace Perez y Perez while Gen. Francisco Javier Nunez will replace Garcia Tejada.

When in active service, Perez y Perez was head of the police and other units of the Armed Forces and earned a reputation for being a "hard-liner."

Haiti

People's Organizations Call For General Mobilization

FL1706174793 Port-au-Prince Radio Metropole in French 1600 GMT 16 Jun 93

[Text] CONAPOP, National Confederation of People's Forces [as heard], rejects the parliament's decision to reinstate President Aristide and calls on the people to mobilize. The National Council of People's Organizations [as heard], a group of political formations close to the president in exile, considers that the parliament's vote is a poisonous act that risks compromising a favorable solution to the crisis.

[Begin unidentified spokesman recording, in Creole] Delay and demagoguery are the result of the mock resolution that the so-called senators and deputies of the 18 January elections foisted on the country. For the fourth time, Haiti has fallen in a coup d'etat. CONAPOP was very surprised to hear through the press on the morning of 15 June about the mock resolution passed by nine false senators and four false deputies.

Those aliens know that even the birds of the forest would not deal with them, much less humans. CONAPOP does not understand and is trying to understand. Which institution on earth, especially in Haiti, can reinstate a president who was elected democratically on 16 December 1990 by an overwhelming majority of the population, more than 70 per cent? Anyone commiting such an act commits treason.

Consider the evil acts Serge Gilles has committed against the country while he is seeking to become prime minister; as if what he has done so far is not enough, he wants to do even more. The hasty National Assembly held by Julio

Larossiliere, Eddy Dupiton, and Antoine Joseph on 14 to 15 June sets conditions that are impossible and unacceptable to the sector favoring change, because they know that President Aristide will never approve such a document.

In addition, the people who created it have no credibility with the population; all were elected in the mock balloting the people rejected during the 18 January strike. When the cat is way, the mice will play.

CONACOP believes that this mock resolution destroys Article 19 of the Civil Code, along with Article 144 of the Constitution. This resolution suggests that President Aristide lead the country by correspondence, phone, and facsimile. CONAPOP will not fall in with that scenario. It is an illegal stall for time. It will also show that the people can stand up in the huge mobilization we have already launched throughout the country.

CONAPOP salutes the senators and deputies who are still standing firm and who were elected by the people on 20 January 1991. We tell them to keep on doing the work the people entrusted to them, because we think that the herd of goats in the Port-au-Prince abattoir that used to be called the Legislative Palace cannot save the country.

Haitian people, stand up so we can uproot the evil people who are determined to destroy the country! [end recording]

Labor Unions Reject Parliamentary Decree

FL1706174893 Port-au-Prince Radio Metropole in French 1045 GMT 17 Jun 93

[Text] Six labor unions have expressed their stand on the 15 June parliamentary vote. The FOS [Federation of Workers Trade Unions], OGITH [General and Independent Organization of Haitian Workers], CTH [Confederation of Haitian Workers], and CATH [Autonomous Organization of Haitian Workers] reject the decree recognizing Father Jean-Bertrand Aristide's legitimacy. They consider the vote a new delaying tactic to prevent the return to constitutional order. Union officials, categorically rejecting the decisions taken by the parliament, call on union workers to observe the general mobilization order to support the return of the ousted president to his functions.

PGR Reports Dissmisal of Agents Linked to Drug Traffickers

PA1606193193 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 16 Jun 93

[Text] The Attorney General's Office [PGR] has dismissed (Mr. Rodrigo Esparsa Cristerna), its representative in Sinaloa State, and ordered that he be tried for allowing the escape of Federal Judicial Police [PJF] Commander (Juan Alberto Garrazola Rubio), a man who reportedly has links to drug traffickers Luis Hector Palma and Joaquin Guzman Loera. Mario Ruiz Massieu, deputy attorney general for police and inspections offices, explained that (Esparsa Cristerna) is to be tried by a Mexico State federal judge because he failed to arrest (Garrazola Rubio) out of negligence, naivete, or in a purposely illegal action, thus allowing the commander to escape. In addition, the PGR has dismissed 67 public officials. Here is Enrique Luna with the report.

[Begin Luna recording] The PGR has dismissed 67 police agents who are no longer considered trustworthy due to their ties to drug traffickers. Commanders, deputy commanders, agents, former PJF Director Luis Soto Silva, and Adolfo Castellanos de la Torre, the deputy chief of investigations in Durango State, have been purged from the PGR. This government agency also reported that since last February it has investigated the professional conduct of public officials who have been the subject of complaints. After uncovering leads that make it possible to link the officials to criminals, the PGR ordered their immediate dismissal. The PGR warned that if the appropriate investigations produce sufficient evidence that crimes have been committed, the officials will be brought to trial. It added that it will abide strictly by the law with a sense of justice. The following personnel were dismissed and are being investigated: 31 PJF agents, 16 deputy commanders, 14 commanders, two navigators, and one radio operator. [end recording]

Salinas Signs Decree on Drug Enforcement Institute

PA1706185293 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 17 Jun 93

[Text] President Carlos Salinas De Gortari signed on 16 June a decree through which the National Institute for the Fight Against Drug Traffic will be created.

The new institution will be a decentralized branch of the Attorney General's Office [PGR] and it will be technically specialized.

The National Institute for the Fight Against Drug Traffic has the objective of planning, supervising, and evaluating the activities aimed at fighting drugs on a nationwide scale. It will also be responsible for the preservation of health of Mexicans in coordination with the competent institutions and the guidelines established by the PGR.

The main characteristics of this organization are as follows:

It will put all of the national recourses for drug enforcement under a single command.

Through the use of modern technology, it will undertake investigations, thus, allowing prevention and prosecution of crimes against health, money laundering, and weapons trafficking.

All of the repressive forces—narcotics judicial police, interception forces, and those in charge of the eradication of illegal plantations—will be unified under a single coordinating body.

The international collaboration efforts will be more agile and effective through a unit that directs efforts in this regard.

The government of the Republic, thus, reiterates its commitment to strengthening the institutions that guarantee the constant reinforcement of the state of law and its conviction to fighting drug traffic.

The decree through which the National Institute for the Fight Against Drug Traffic was created will be published on 17 June in the official gazette.

Correction to Guzman Sentenced for Murder

PA1706191593

The following correction pertains to the item headlined "Guzman Sentenced for Murder of Sinaloa Attorney General," published in the 16 June Latin America DAILY REPORT, page 16: Column one, second paragragh, only sentence, make read: ...[PGR] and the Federal District Attorney's Office, the two drug... (rewording for clarity). Column one, second paragragh, only sentence, make read: ...of the murder. [new graf] [Begin recording, Rene Gonzalez, assistant district attorney, Federal District] The Federal District Attorney's Office, with the valuable... (rewording for clarity)

Costa Rica

Public Security Minister Statements on Subversive Group

PA1706200593 San Jose Raaio Reloj in Spanish 1730 GMT 17 Jun 93

[Text] Luis Fishman, government and public security minister, has downplayed the importance of reports that individuals were planning to destabilize the Calderon administration.

Fishman said statements made by prisoner Alvaro Sequeira Ramirez regarding possible actions to destabilize the current government have absolutely no importance.

Fishman mentioned that the same man was arrested months ago and made similar statements, but he and his counterparts are only common criminals.

The official suggested the prisoner should be given an in-depth medical examination as he seems to have mental problems.

Minister Fishman said the Atlantic Command troops were highly efficient as they captured Sequeira Ramirez and most of his group in a few hours. First they arrested Marco Duarte Zuniga, who was bitten by a snake in the Sarapiqui Mountains. Luis Morales Cordero, Antolin Duarte Baltodano, Alan Obando Huertas, Adrian Salazar (Guidar), Freddy Granados Baltodano, and Alejandro Torres were captured later. Alejandro Torres is a Nicaraguan national. Apparently only one of the involved men remains at large. The group is charged with stealing cars from businessman Daniel Bolanos and another resident of the Sarapiqui area.

Fishman advised the former member of the Cobra Commando to make his statements in court.

Apparently Sequeira Ramirez stated that Minor Masis, who is being tried for actions attributed to the self-styled Cobra Commando group, is one of the members of another group that called itself the People's Armed Branch. Masis, however, has denied that allegation.

The security minister told Masis to appear in court and reject the statements. Masis has been set free on bail. He and other former officers have been linked to a number of rapes and at least one murder in the Salamanca mountains.

The minister also said prisoner Sequeira Ramirez has told the authorities that he and his group planned to rob a bank in Sarapiqui, attack several police posts, and later take over the Presidential Palace. Minister Fishman said it would be difficult to ascertain the veracity of such statements.

Here is what Minister Fishman said:

[Begin recording] [Unidentified reporter, in progress] ... want to say this group and Mr. Sequeira have been saying these kinds of things for a long time. He was jailed and then freed.

[Fishman] I think that was the first mistake. People who say such things about our sovereignty and liberty [words indistinct] without proving they are in military camps, preparing persons militarily, [words indistinct] had been caught about a year ago in Guapiles, where they had some sort of a government council. They have some strange attitudes, and I think they should be examined by the forensic institution doctors to see if they are normal.

According to Sequeira, he was forming a group to rob a bank, buy weapons, and try to destabilize the country by taking over the Presidency. According to some of the group's members, they were even thinking about taking over the Legislative Assembly. They were not even sure of what they wanted.

I believe this group has been given too much attention. It is a group of common criminals who have nothing better to do, who do not have enough training for me to say the country should worry about national security [words indistinct]. The members of the Atlantic Command captured them without much difficulty.

It proves that despite criticisms from some people, there is some degree—we cannot say we have an extraordinary police force—of efficiency in the Costa Rican police. These men [words indistinct].

[Reporter] What role does Minor Masis play in this affair? He is said to be one of the leaders, but he has denied that in telephone calls [words indistinct]

[Fishman] [Words indistinct] [end recording]

Authorities Discover Plan To Overthrow President

PA1706162193 Paris AFP in Spanish 1452 GMT 17 Jun 93

[Text] San Jose, 27 Jun (AFP)—Police sources confirmed on 16 June that Costa Rican police arrested 10 members of an armed commando unit that planned to take over the Presidential Palace and overthrow President Rafael Angel Calderon.

Alvaro Sequeira, who allegedly heads the commando, confessed that the group, the self-styled "People's Armed Branch" ["Brazo Armado del Pueblo"] had plans to carry out several holdups in the northwestern part of the country and in the capital city, in order to get funds to purchase weapons.

The presumed commando leader was arrested on 16 June along with a Nicaraguan citizen identified as Daniel Torres, who is also linked to actions carried out by the group in the mountainous area of Sarapiqui, in the province of Heredia, approximately 80 km northeast of San Jose.

"This government needs to be straightened out one way or another," Sequeira told police authorities, and confessed his commando planned to attack several Civil Guard posts to destabilize President Calderon's administration and then take over the Presidential Palace.

In addition to Sequeira and Torres, eight other members of the commando unit who were detained on 14 June after a foiled bank robbery in Sarapiqui and an attempt to kidnap two businessmen in the area.

Public Security Minister Luis Fishman said the group could have a total of 15 members and therefore, it is presumed that five other members have fled to the mountains in the Sarapiqui area.

Some 80 policemen are on alert trying to locate the remaining members of the commando unit, as well as two AK-47 rifles used in the 14 June foiled bank robbery.

In addition, policemen are looking for former rural guard Minor Masis, who in February 1992 was linked to several rapes and murders in Talamanca, in the Atlantic Region, as he is believed to be the real leader of the band.

A group self-styled "Death" commandos attacked the Supreme Court of Justice building on 26 April, and held 19 justices and five administrative employees as hostages for four days.

The kidnapping ended with the release of the hostages and the arrest of five members of the commando unit when they were trying to leave the country at the Juan Santamaria International Airport, some 20 km west of San Jose.

Poll Reveals Approval of Officials, Politicians

PA1706143893 San Jose LA REPUBLICA in Spanish 11 Jun 93 p 4a

[Report by Elberth Duran Hidalgo]

[Text] Luis Fishman, government and public security minister, is the only Costa Rican politician to enjoy a positive trend in his approval rating since 1990; his approval rating has doubled since that year.

Fishman had a 33 percent approval rating when the current administration took over in 1990. He received the same rating a year later. His approval rating increased to 48 percent in 1992, and he reached the top of the list with an average 63 percent (65 percent in absolute numbers) approval rating in the latest poll conducted in May 1993.

According to the poll, even President Calderon is beneath Minister Fishman. The president's approval rating has zigzagged since 1979, when he started to appear in the list of the country's most relevant people. In 1991, a year after he was sworn in as president, Calderon received his lowest rating in 14 years: 40 percent.

The aforementioned averages are the median of the Interdisciplinary Development Consultation (CID-Gallup) yearly polls.

The firm's conducted its latest poll by distributing questionnaires to 1,210 people throughout the country between 21 and 29 May 1993. The questions were asked a week prior to the National Liberation Party (PLN) convention and two weeks prior to the Social Christian convention on 13 June.

The results showed that the approval ratings of former PLN presidential hopeful Margarita Penon and Jose Maria Figueres, the elected PLN presidential candidate, have progressively decreased during the past three years.

Mrs. Penon's approval ratings decreased from the 82 percent she received in the last year of her husband's—President Oscar Arias—administration, to 52 percent two weeks ago; that is, she lost an average of 30 percent of the citizens' approval.

During the same period, Figueres lost 22 percent of the people's approval as his rating fell from 68 to 46 percent.

After Fishman, Calderon, and former PLN presidential hopeful Jose Miguel Corrales (with an average approval rating of 54 percent), the order of the eight people in the political personalities list continues with Social Christian presidential hopeful Miguel Angel Rodriguez with 53 percent, Margarita Penon with 52 percent, Jose Maria Figueres with 46 percent, Rolando Araya with 40 percent, and Social Christian presidential hopeful Juan Jose Trejos with 38 percent.

If the annual rating is disregarded and only the results of the poll conducted two weeks ago are taken into account, the approval rating percentages vary and PLN Deputy Oscar Soley, with a 34 percent approval rating, appears in ninth place, followed by Housing Minister Cristobal Zawadsky with a 24 percent rating.

The poll shows a direct relationship between the political preference of the person polled and the personality he approved of the most. For example, those polled who said they were PLN members favored their party leaders, and the Social Christians did likewise.

Comparing the average 1992 results with the current ratings, the following individuals made the most noticeable advancements: Fishman's approval rating increased 15 percent; Trejos, 14 percent; Araya and Corrales, 11 percent each; President Calderon, 8 percent; and Rodriguez, 5 percent.

El Salvador

Assembly Approves VIP Protection Security Law

PA1706171893 San Salvador Canal Doce Television in Spanish 0300 GMT 17 Jun 93

[Text] The Legislative Assembly on 16 June unanimously approved the law that provides special protection for people considered at high risk due to their participation in the peace process.

The law presented to the assembly by the Executive Branch and approved by the plenary without discussion provides special measures to guarantee the safety of those persons considered to be at high risk.

[Begin unidentified speaker recording] Special protection will be afforded to persons at high risk due to the post or the position they occupy, or persons involved in ending an

armed conflict and whose importance may turn them, their families, or their properties, into potential targets of attacks. This law specifies that persons considered at high risk are those who have acted as ministers of any of the main branches of the government or the vice president of the Republic. This protection will be for life. [end recording]

Protection for persons subject to special security, which includes visiting foreign dignitaries, will be provided by the National Civilian Police [PNC].

[Begin unidentified speaker recording] Beneficiaries of special security measures will have the right to be assigned up to four members of the PNC. [end recording]

The special security will be authorized by the PNC general directorate following the request by the beneficiary and after consulting the Prosecutor General's Office.

On another topic, the Legislative Assembly extended for a further six months the legislative decree prohibiting squatters from eviction. They still have not had any land transferred to them nor have they been relocated.

The Legislative Assembly also recommended that the Executive Branch bestow the Jose Macias Delgado Order to former UN Secretary General Javier Perez de Cuellar, Alvaro De Soto, and Marrack Goulding for their outstanding work in the Salvadoran peace process.

Agrarian Official Criticizes FMLN 'Phantom Landholders'

PA1806144593 San Salvador EL DIARIO DE HOY in Spanish 17 Jun 93 pp 3, 35

[Text] The Farabundo Marti National Liberation Front [FMLN] has presented a list of 272,000 landholders of whom 247,000 are "phantom landholders," said Jose Roberto Molina, president of the Salvadoran Institute of Agrarian Transformation (ISTA).

According to the peace agreement, "holders" are those in possession of land even if they are not legal tenders.

The official said in October 1992 the government placed at FMLN disposal 16,600 manzanas of land but the former subversives have not fully occupied "even one of them."

Molina said the former FMLN terrorists are becoming "urbanized." They are no longer interested in land because they want to live in cities.

ISTA figures indicate several properties in the country's central and eastern areas are semi-abandoned and under used while other regions need land to cultivate.

For example, the Los Naranjos Estate in San Vicente can house and provide land for cultivation purposes to 115 families but only 45 families live there.

Only 28 of the 60 families that had registered are on the Monte Verde Estate, Cabanas.

Only 17 of the 80 families that were reportedly demanding land are on El Marquesado Estate, San Vicente.

Only 37 of the 98 families the FMLN claimed wanted to settle El Coyol Estate are actually there.

Molina said one of the most dramatic cases is on El Porvenir Estate, San Vicente, where the FMLN had reserved space for 160 families but only 37 live there.

Another dramatic case is El Coco Estate, where only 17 families are living on 550 manzanas with 32.94 manzanas per family.

At Los Angeles Estate 27 families are living on 500 manzanas of land.

The source added the FMLN has failed to fill a single estate assigned it by the government but has instead promoted the occupation of other land, including Rancho Grande Estate and San Juan de Letran Estate, near San Marcos Lempa.

Molina rejected charges by leftist groups that the government delays the fulfillment of peace agreements pertaining to land issues.

To show its flexibility, Molina added, the government will allow the FMLN to present another list of former combatants with their respective identification numbers and a list of verified landholders.

A list issued by the Land Transfer Officer [Oficina de Transferencia de Tierras—Otca] indicates only 25,000 of the 272,000 names listed are genuine because the other names are repeated two and three times. "In other words, they are phantom landholders," the official pointed out.

The ISTA president said "the government has provided unequivocal evidence that it has nothing to hide, that it does not hold cards under the table, and that it has acted frankly."

Molina said the government has complied with its commitments and now the United Nations must demand that the FMLN act honestly.

Guatemala

Three Men Nominated for Vice President

PA1706210993 Guatemala City Radio Fabulosa in Spanish 2001 GMT 17 Jun 93

[Text] Hector Luna Troccoli, secretary general of the presidency, has announced the qualifications of the three candidates to be nominated on 18 June for the post of vice president of the Republic.

[Begin Luna Troccoli recording] The truth is that everyone knows Arturo Jesus (Asturias) very well. He is the president of the Supreme Electoral Tribunal; a man who has devoted most of his life to his profession as a notary lawyer. He has also held various other positions within the courts of justice in the country, and it would take too long

to name all of these positions. He has always been a very honest and proper individual.

Dr. Gustavo Hernandez (Polanco) is a pediatrician, of well-known national and international merits. He has worked mainly in the field of public health and other service institutions of the country. He has also been involved with some international organizations. In addition to being a pediatrician, he has provided strong support to the committee to help blind and deaf-mute people, and he has been involved in other activities in line with his profession. He is very prestigious in the medical profession.

Dr. Carlos Garcia (Bower) is a very prestigious lawyer, and a doctor of international law. He has been foreign minister, has represented Guatemala in several international meetings, has been a university professor—as well as Dr. Gustavo Hernandez (Polanco)—each one in his own field. He is also the author of many books, particularly on the subject of human rights. In his career, human rights have been one of his main concerns. Dr. Garcia (Bower) has also attended many international meetings on human rights, and his international reputation in this field is very good.

In other words, the president is very pleased with these patriotic men, each one involved in his own career, reflecting what a Guatemalan patriot can be. [end recording]

Nicaragua

President Chamorro Postpones Debates on Amnesty

PA1706215793 Managua Sistema Nacional de Television Network in Spanish 0230 GMT 17 Jun 93

[Text] President Violeta de Chamorro has postponed the discussion of the amnesty law due to the fact that the necessary conditions do not exist.

The decision was made after two hours of discussions at the national dialogue with the Legislative Branch in which all groups are participating and in which [words indistinct] the modernization of government institutions, among other topics.

Participants in the national dialogue from various groups met for almost five hours with the Legislative Branch to discuss the modernization of state institutions. The debates, which were centered on the amnesty issue, were postponed and a call was made to all sectors, including the Tripartite Commission, to cooperate with the demobilization process.

[Begin Government Minister Alfredo Mendieta recording] We will establish a waiting period after the deadline for special zones [zonas de excepcion] expires. We will allow the entrances to the nine security zones to be protected by the Special Disarmament Brigade, the National Police, and the Army. The Army will not take any military action against groups inside the security zones. [end recording]

Minister Mendieta noted President Chamorro's decision concerning the amnesty, which is seen as a polarizing factor in the country, contrary to her conciliatory position.

[Begin Mendieta recording] It is believed that other mechanisms should be used at this time, and that those mechanisms necessarily must be based on efforts conducted by the Nicaraguan society through its representatives and in this case specialized organizations such as the Tripartite Commission, to change antagonistic attitudes. [end recording]

A call was made to the demobilized groups to remain within security zones, as government efforts are now aimed at seeking mechanisms for disarmament in order to facilitate their entrance into the country's socioeconomic life.

The Sandinist National Liberation Front [FSLN] urged deputies of the National Opposition Union, UNO, who are not attending the Assembly sessions to join the debates and present the proposals they deem necessary to strengthen the National Assembly.

[Begin FSLN Secretary General Daniel Ortega recording] We feel it would not be healthy for the country's institutions and for Nicaragua's domestic and international credibility to decide how the leaders of the National Assembly will be elected at bilateral meetings among political groups or between the government and the Political Opposition Alliance-UNO. This topic should be debated within the National Assembly with the participation of all political forces interested in strengthening and legitimizing a government branch as important as the National Assembly. [end recording]

Ortega appealed to Cardinal Obano y Bravo and citizens in general to contribute to the disarmament process.

[Begin Ortega recording] We appeal to all the political, economic, and social forces in our country to conduct efforts to disarm all the armed groups. First of all, I believe that the Catholic Church, the Higher Council of Private Enterprise, and the various political parties in the APO-UNO should commit themselves to conducting those efforts in favor of a total disarmament. [end recording]

Venezuelan Commando Accused of Operating Locally

PA1706144393 Managua Radio Corporacion in Spanish 2200 GMT 16 Jun 93

[Text] A special commando unit known as Capricorn operated in Managua in 1990. This commando, formed by 14 Venezuelan units, was used to train certain Nicaraguan groups and to give protection to President Violeta Chamorro, Antonio Lacayo, and Alfredo Cesar. This story has just started to unravel in Caracas, Venezuela where Inspector Freddy Torres, who had been chief of this commando unit, was summoned to testify in court to demonstrate Carlos Andres Perez' meddling policy in Central America. From Caracas, Carlos Andres Perez' government financed illegal activities in Nicaragua and El

Salvador with funds earmarked for Venezuela's internal security. Such was the charge in Caracas of the former police chief, who participated last year in a coup attempt.

Inspector Freddy Torres, former chief of the special tactic support commando unit, said that since 1990, the commando unit was part of a police force that provided security services to President Chamorro, her Presidency Minister Antonio Lacayo, and the former parliamentary president, Alfredo Cesar. The group, comprised of 14 agents, carried out Capricorn Project C-7, Nicaragua 90. This project consisted of training Nicaraguan officials in security actions and advising Central American paramilitary groups that had been ordered to murder leaders of the former Salvadoran guerrillas, the Farbundo Marti National Liberation Front, according to the accuser.

All of these activities were financed by the Venezuelan Foreign Ministry's secret fund under President Carlos Andres Perez' orders, Torres stressed. Inspector Torres was one of the police chiefs who participated in the attempted coup on 27 November 1992, against the Venezuelan Government. Perez was suspended on 20 May and is being prosecuted for alleged embezzlement of the aforementioned secret fund. The suspended president has refused to report on what he used 250 million bolivars, approximately $17 million, that were exchanged on the Venezuelan currency market. The Foreign Ministry's secret funds should only be used for internal security matters, according to the Constitution. Torres said that Perez and Deputy Presidency Minister Reynaldo Figueredo created a consortium of security companies for which Police Commissioner Rafael Rivas Vasquez is the front man. The president of the consortium is Rivas Vasquez' wife. Rivas Vasquez was chief of the Venezuelan Political Police during Perez' first administration from 1974-79. The consortium, identified under the initials [words indistinct], was contracted by the Venezuelan Government to carry out undercover operations in Venezuela and abroad, Torres said. The Police inspector assured that [word indistinct] is an expert organization in the aforementioned operations and could be training paramilitary groups in Venezuela.

Reporter Jose Vicente Rangel and the parties Movement for Socialism and Cause R, reported last week on paramilitary groups in Venezuela whose mission is to attack opposition public figures. New Foreign Minister Carlos Delgado Chapellin last week announced a thorough investigation on the charges, after Defense Minister General Ivan Jimenez denied the existence of mercenary groups in Venezuela.

Atlantic Coast Miners Reject Concession Agreement

PA1706230293 Managua BARRICADA in Spanish 17 Jun 93 p5

[Report by Carlos Garcia Castillo]

[Text] Approximately 2,000 Atlantic Coast miners are waiting for justice and proper compensation for decades of work which has had a serious impact on their health, area representatives explained during a meeting held with Commander Tomas Borge, member of the Sandinist National Liberation Front National Directorate.

The Sandinist leader said, after listening to the workers, that the drama of thousands of miners who were exploited in the mining areas must be included in the national dialogue.

The Atlantic Coast workers, headed by alternate Deputy Cesar Paiz, told Commander Borge the government, without informing the Atlantic Coast people and violating the Autonomy Law, signed an almost clandestine mining concession agreement with the U.S.-Canadian consortium Enko. The agreement will exploit the resources of Bonanza, Siuna, and Rosita without benefiting the region where the mines are located.

The government is forgetting about diseases that have inflicted thousands of workers as a result of operations by the mining companies and the ecological damage inflicted upon the vast areas of the country, the miners stressed.

The workers said they would file an amparo petition against the government decision to privatize the mining triangle without the participation of the local residents. They added that on 15 July they will submit a proposal to the National Assembly to expedite the implementation of the Autonomy Law.

The miners announced that on 15 July they will march to the National Assembly to demand that they be allowed to decide on the fate of the exploitation of their own natural resources. The miners feel that the gold deposits of the Atlantic Coast are worth approximately 5 billion cordobas.

Panama

President Endara on Asylum for Serrano

PA1806000793 Panama City Circuito RPC Television in Spanish 2300 GMT 17 Jun 93

[Telephone report by Rita Spadafora in Guatemala City]

[Excerpt] The six Central American presidents met on the morning of 17 June, and, in the afternoon, they held a news conference at the Presidential Palace. The presidents issued a joint statement reaffirming their commitment to the consolidation of peace and democratic development in the region, especially in Guatemala. [passage omitted on previously covered material]

President Guillermo Endara was asked many questions regarding the case of former President Jorge Serrano Elias and his status in Panama.

[Begin Endara recording] I am giving him political asylum. I am not doing so because he is a personal friend. He is a personal friend, but that is not the main reason for granting him political asylum. The main reason is that he feels he is being politically persecuted and the Panamanian Executive Branch has accepted him as such.

With this clarified, I want to state that many governments have granted political asylum. Guatemala gave political asylum to several people who carried out coups against the Panamanian Government and this never tarnished our friendship with Guatemala, the Guatemalans, or the Guatemalan presidents. So, I believe, we have to learn to live with the political asylum institution, which is so very, very important in Latin America. [end recording]

During the news conference, a large number of truck union workers gathered outside the Presidential Palace and demanded that the Costa Rican and Panamanian Governments expedite the extradition process of the former Guatemalan leaders who have been given asylum in those two countries.

Both presidents said they would respect the international extradition agreements and would act according to the law. They, however, stressed that this case would not deteriorate the relations between Guatemala, Costa Rica, and Panama. Guatemalan President Ramon De Leon Carpio agreed with his colleagues and asserted that he was completing all the necessary procedures to request the extradition of the former officials.

At the meeting, the presidents set a new date for the summit which had been scheduled for 13 June. The presidential summit will be held in Guatemala City on 12 August.

Argentina

New Ambassador to U.S. Ocampao Interviewed

PY1806011793 Buenos Aires BUENOS AIRES HERALD in English 17 Jun 93 p 4

["Exclusive" interview with Raul Granilo Ocampao, newly appointed Argentine ambassador to the United States, by Bunny Tobin—date and place not given]

[Text] "I'm a doer. I prefer not to talk but to act," is how newly-appointed Argentine ambassador to the United States Raul Granillo Ocampo describes himself.

While ill at ease granting an interview earlier this month—with conflict of interest charges still pending against him at a federal court—Granillo Ocampo took time out of his busy schedule to discuss his expectations as the next envoy to Washington. The case was dismissed by Judge Nerio Bonifatti on June 8 clearing the way for his confirmation by the Senate yesterday.

The case involved the diversion to a company he owns of an 18-million-dollar Swiss loan while he was Legal and Technical Secretary at Government House.

"I know (President Carlos) Menem. I know how our government and the President work and think. I will try to show the U.S. that we are a country with its same values and that we are similar in many ways."

Granillo Ocampo sees intense competition among the emerging democracies as they knock on the door of their strongest democratic neighbour, the U.S., for assistance. And it is exactly this ambitious and competitive political diplomat who is anxious to roll up his sleeves and rap the loudest on the U.S. door. "I know what to do and how to get things done because my goals are clear," says the self-described "workaholic."

Considering the steady flow of criticism charging that he lacks diplomatic experience and that he is not qualified to fill the key foreign post in the U.S., it appears that it takes a lot to deter this 45-year-old practicing lawyer, law professor and Fundacion Integracion president whose typical workday spans from 7am to 11pm. "It's not a real issue, it's a political one," he said of the charges.

Recent allegations against former and current Argentine ambassadors abroad have sparked widespread doubts about the wisdom of appointing political heads of mission. "Whether candidates are career diplomats or political appointees makes no difference," said Granillo Ocampo, who has no foreign service experience. "In the recent cases, you'd probably find more wrong-doing by career diplomats than by political ones."

Granillo Ocampo was singularly unfazed by the charges of corruption levelled at him. "Anytime a person enters politics he faces scrutiny. These political attacks are the spirit of my country," he said.

Next week Granillo Ocampo will accompany President Menem on a trip to the U.S. where he will meet with President Bill Clinton. But the new ambassador does not expect to assume his duties in Washington until roughly 15 days after he returns to Argentina with Menem.

Sitting comfortably at his desk adorned with family photographs and pictures of him with long-time family friend Menem, it became apparent that Granillo Ocampo is not shy about discussing his personal and professional successes and is undaunted by harsh statements made to foil his steady progress up the political ladder.

At age 19 he earned his degree and began practicing law. He became one of the youngest justices of the Supreme Court of his native La Rioja in 1983, when Menem was governor. Later, when Menem reached the presidency, he brought Granillo Ocampo with him to Govenrment House as his Legal and Technical Secretary. He gained his masters in International Law at the Southern Methodist University (SMU) in Dallas, Texas, and is no stranger to the U.S. During two and a half years there he travelled by car to 40 states. He has also visited Korea and several Middle Eastern and European countries, Taiwan and China. "I love this kind of life. I never need a holiday," says the father of two teenage sons and a teenage daughter.

But he spoke somewhat guardedly about his expectations and goals in Washington. Acknowledging that Argentine-U.S. relations have been extremely favourable the last few years, he sees his role as enhancing mutual understanding between two countries. "As a lawyer and professor, I like very much to speak well. I lack the vocabulary," he said, struggling to regain the English he learned during his time in the U.S.

Here are some of the things he said about issues concerning Argentina and the U.S.:

CONDOR II

"The U.S. has a new vision of the security problem around the world. It is encouraging countries to cut down their involvement in missiles and chemical weapons production. But it is very difficult to check and monitor countries' complying with the destruction campaign. We will end the Condor II project and try to get neighbouring countries to agree to disarmament," he said, denying recent U.S. reports that some of the missile parts and information were not sent to the U.S. and Spain as outlined in the agreement. "We completely stopped the project and the industry was dismantled. I think our commitment to the destruction of nuclear arms is exhibited in our attempts to make agreements with other countries on our continent to disarm such as with Brazil. But the U.S. must recognize the need for a balance of power on the continent."

NAFTA

Granillo Ocampo predicted that he would spend much of his time keeping Argentina in the running for the proposed North American Free Trade Agreement (NAFTA). "This is one of the key issues for Argentina. We are the next in

line with Chile." He said that progress in expanding markets and sounder economic policies is evident in Mercosur [Common Market of the South] and expressed hope that the U.S. recognizes Argentina's efforts when it considers it as a participant in NAFTA. "This is one of the most important issues for us. We need to open our markets to foreign business. We are no longer static. We have resources but only a very small market to sell our goods. If we can compete in a market with millions of people then we can lower our prices and increase our production. This would help solve an unstable economy."

GATT

"We have the same position as the U.S. regarding GATT. We want to end subsidies. The U.S. and Argentina can compete better with agricultural products if subsidies are cancelled. It is the most important issue of the GATT negotiations."

Granillo Ocampo doesn't expect great changes to occur in U.S.-Argentine relations under the Clinton administration. "The level of a relationship between countries doesn't depend on the leader of the country, but more on the maturity and understanding in the relationship. Clinton is glad of our improvements in free trade and democratic policies."

But he does have many personal expectations. "I have a lot. I want to show the U.S. how our president is moving the country in a good direction. We need U.S. help and deserve it. We have important economic problems."

Granillo Ocampo is looking forward to stepping into the power game in Washington as next Argentine ambassador there. "In Washington it is a very different kind of lifestyle from here. There's a lot of political activity. The feeling of liberation is the most important feeling when you go there. You become part of a decision-making process in a field that is the world. "It's pretty exciting to be a part of a place where some of the most important decisions in the world are being made."

Pharmaceutical Firms Group Supports Patents Law

PY1806024293 Buenos Aires BUENOS AIRES HERALD in English 17 June 93 p 7

[Article by Kaitlin Quistgard; first paragraph is introduction]

[Text] Today, representatives of Caeme, the chamber grouping foreign pharmaceutical companies in Argentina, will appear at a Senate hearing on the proposed medical patents law. The bill was introduced into Congress in 1991, just in time to meet a deadline President Carlos Menem had promised to the U.S., which has kept steady pressure on Argentina and other developing nations to update their laws protecting intellectual property rights. But the bill was never treated in the Lower House and has now passed into the Senate where a series of hearings began last week with the participation of the Cilfa chamber of domestic pharmaceutical firms. A World-class patents law can only benefit Argentina, according to Caeme President Cesar Siedlarek.

Refuting adversaries of the bill which calls for a 20-year protection period for all new patented products, Siedlarek said that medicine prices won't increase nor will monopolies be created by the passing of the law.

As the bill proposes no retroactive patent protection, all drugs currently on the market should remain unaffected, in terms of both availability and price, he said. "Patented medicines represent a very small part of the market. Approximately 10 percent of all the medicines sold internationally are under patent," Siedlarek explained.

This 10 percent, however, represents the most profitable segment of the market, with the newest and most expensive drugs under patent.

Siedlarek said that new patented products make up only about one percent of the total market each year. If the proposed law is passed, "the Argentine pharmaceutical industry will have 100 percent freedom to produce medicines this year. Next year, they will be free to produce 99 percent of all drugs and 98 percent the year after that," he said.

According to Siedlarek's theory it will take 10 years for Argentina to catch up with the rest of the world, having 10 percent of available medicines under patent. He said this is just one of the reasons why there should be no grace period when the law takes effect, as has been demanded by the domestic pharmaceutical industry and as was the case when patent protection was recently introduced in Spain and Mexico.

Argentine pharmaceutical firms "have had this grace period, marketing patented products for 30 or 40 years. This is what has allowed the local industry to capture 50 percent of the market. Give them more time? For what?" he asked.

Denying that health care costs will go up, he pointed to countries which have recently passed patents laws, such as Italy and Mexico, where medicine prices have risen less than the cost of living since the laws were passed, he claimed.

According to Caeme statistics, Argentine pharmaceutical firms have 55 percent of the local market in terms of volume, but 60 percent in peso terms. "This means that the drugs marketed by national firms are more expensive" than those sold by the patent-holding foreign firms, said Jorge J. Fraccia, executive director of Caeme, who suggested that it is the companies not the patents that cause rising health costs.

"Putting a new product on the market doesn't mean setting any price you want," Siedlarek said. "It still has to compete with existing medicines. They call it a monopoly. In fact, the patenting of any discovery or invention means making the information publicly available. That opens the

doors to further research. You take that original patented research and work on some innovation over the same foundation to create something better—which you can then patent."

He dismissed "compulsory licensing," the alternative proposed by Cilfa which would allow patented drugs to be copied as long as patent holders receive a compulsory three percent royalty. "This scheme doesn't exist in any industry ... Imagine if you used some kind of patented technology in an electronic appliance or the pattern of a pair of designer jeans and you just paid a three percent royalty and put a 'Wrangler' label on them."

Siedlarek added, "Argentina is integrating itself into the world, opening its economy and all. It's legal framework has to be adequate. Patents exist in almost every other industry in the country. Why should the pharmaceutical industry be the only one not protected?"

* Details of Pension Reform Discussed

93SM0280A Buenos Aires CLARIN in Spanish 10 May 93 pp 20-21

[Report by Ismael Bermudez]

[Text] If the proposed pension, partially approved by the deputies early Friday morning, should become law, the following figures would take effect:

A worker earning a wage of 500 pesos who entered the labor market at age 25 and deciding to remain in the government's pension system would retire at 65 with a stipend of from 60 to 80 percent of his full pay. However, if he opts to join a retirement and pension fund program (AFJP), his stipend would jump from 80 to 100 percent of his wage.

However, the percentages drop significantly as the worker's pay increases. Those earning a wage of 1,000 pesos under the government system would receive from 45 to 70 percent of their pay when they retire, while the figure under an AFJP could range from 65 to 85 percent.

Those in the 5,000-peso bracket would receive from 20 to 40 percent of their pay under the government retirement system, compared with 35 to 50 percent under an AFJP system.

We emphasize that these are the alternatives emerging from the newly proposed pension system partially approved by the Chamber of Deputies, a system establishing the worker's right to choose between joining or remaining in the current government pension system or opting for a private system. The pensions provided by the two systems are not the same, however, because the government system offers a relatively low pension, which encourages workers to join an AFJP (particularly the one defined by Article 39 for the National Bank).

Actually, the plan approved by the deputies establishes a choice between a government system and another combined system (not entirely private). In the future, any worker will have the right, whether he remains in the government system or joins an AFJP, to receive a basic standard pension (PBU), as well as an additional sum (PC) from the government. The PBU is similar for all workers independently of the wage they earn, the only requirement being that they have paid into one of the two systems for 30 years. It is based on the economy's average wage. The PC constitutes recognition of contributions paid into the government system and provides the worker with a pension amounting to 1.5 percent of the average wage over the past 10 years for every year of contributions up to a maximum of 35 years.

Based on the right to a pension—made up of the PBU and the PC—which he has earned, a worker is entitled to choose whether his contributions (now increasing from 10 to 11 percent) will remain in the government system or be invested in an AFJP. If he chooses the former, upon retiring, he will receive the equivalent of .85 percent of the average pay for the last 10 years that he worked. In contrast, if he chooses an AFJP, he will receive a pension based on the real yield (which may be positive or negative when inflation is taken into account) earned by the funds contributed. Projections indicate that, based on a slightly positive real yield, the AFJP option provides a total retirement sum greater than that guaranteed by the government system.

The bill partially approved by the deputies increases the pension for those opting to remain in the government system. The executive branch's proposal recognizes a quota of .5 percent per year of contribution, while the legislative proposal raises it to .85 percent.

Even so, if one assumes a real yield of 5 percent annually for the AFJP's, with a quota of .85 percent paid by the government system, the pension a worker would receive under the private system would be greater than what he would obtain under the government system with the .85-percent quota. Moreover, one must remember that the Ministry of Finance wants to reduce the deputies' .85 percent to the .5 percent of the original proposal in order to make the AFJP option more attractive.

[Box, p 21]

What Follows: The Senate and Its Possible Veto of Article 39

"Once the bill which has already been halfway approved becomes law, the executive branch's commitment to the deputies is to bring out a new law specifically modifying Article 39. If any veto occurs along the way, we shall see what we have to do," one Justicialist deputy said.

He was referring to Article 39, the point that had to stand up to the Ministry of Economy's greatest challenge: the guarantee of deposits to be extended to the Retirement and Pension Fund Program to be headed by the National Bank.

With this promise entrusted to it, the nation's Senate will begin debate on the controversial law this week. The intention of the majority Menemist bloc is to promulgate the new law without any modifications or, given a worst case scenario, with "cosmetic" changes that would not endanger passage by the deputies.

Nor is this a minor matter. If changes are not made, the law will be passed and sent on to the executive branch for its regulation. From that time on, any modifications (which would clearly never be substantive) would be made by Economy officials. However, if changes are made, the following scenarios would be possible:

If the Senate modifies articles of the law, the bill will return to the lower chamber, which, by a simple majority, must rule on any such modifications. If it passes them, the law goes into effect.

If the deputies cannot agree on changes made by the senators, then the law returns to the upper chamber for further debate. From that time on, any modification must be passed by a two-thirds majority.

The other possibility is not to force the issue of Article 39 in Congress and keep the promise made to the bloc to modify it by other legal means. This option is supported—or at least lip service is paid to it—by most of the Justicialist bench. However, its passage does not appear to be a simple matter: "I think it will be difficult to pass," said one deputy with a direct line to the Casa Rosada [Executive Mansion]. "The labor deputies cannot agree and nothing can be accomplished without them."

Finally, the executive branch could opt for one of its prerogatives: the veto. In this case, it would be a matter of eliminating only Article 39 from the law, which is interpreted as a partial veto.

If it is vetoed the lawmakers would have to come up with a two-thirds majority in both houses to override the presidential decision, something few believe is possible under the current circumstances.

Pensions

The tables below show two cases: those earning wages of 500 and 1,000 pesos. The contributor must find his current age and refer to column five to see how much he will earn in an AFJP or column seven for the figure under the government system.

Wage of 500 Pesos

Current age	Basic standard pension (1)	Additional benefit (2)	Subtotal (3)	Private system: AFJP (4)	Total (5=3+4)	Public system: Benefit (6)	Total (7=3+6)
25	200	—	200	370	570	148	348
30	151	37	188	277	465	148	336
35	151	75	226	204	430	127	353
40	151	112	263	146	409	106	369
45	151	150	301	102	403	85	386
50	151	187	338	66	404	63	401
55	151	225	376	38	414	42	418
60	151	262	413	17	430	21	434
64	151	262	413	3	416	4	417

Source: CLARIN based on data from Towers Perrin/Marcu and Associates

Wage of 1,000 Pesos

Current age	Basic standard pension (1)	Additional benefit (2)	Subtotal (3)	Private system: AFJP (4)	Total (5=3+4)	Public system: Benefit (6)	Total (7=3+6)
25	200	—	200	741	941	297	497
30	151	75	226	554	780	297	523
35	151	150	301	407	708	255	556
40	151	225	376	292	668	212	588
45	151	300	451	203	654	170	621
50	151	375	526	132	658	127	653
55	151	450	601	77	678	85	686
60	151	525	676	34	710	42	710
64	151	525	676	6	682	8	684

Worker's contribution: 11 percent of wage.

AFJP commission: 2.5 percent of wage.

Economy's average wage: 500 pesos.

AFJP yield: real 5 percent annually.

* Population Statistics for Buenos Aires, Suburbs

93SM0280B Buenos Aires CLARIN in Spanish 9 May 93 p 50

[Text] Population growth in the city of Buenos Aires has been at a standstill since 1947. According to studies completed by the Municipal Directorate of Statistics and the Census in May 1991 and based on the most recent national census, 2,965,403 persons are currently living in Argentina's federal district. The average age is 39 (36 for men and 41 for women), which shows that younger people no longer want to live in the inner city.

Buenos Aires has an average of 83 men for every 100 women, the lowest ratio in the country, but half of all women are over 40, while 16.3 percent of Buenos Aires' men and women are over 65.

These are not the only significant observations to emerge from the municipal population studies, however. Buenos Aires' 2,965,403 inhabitants include 1,344,041 men and 1,621,362 women living in 1,023,464 households, but 224,639 homes are inhabited by single persons. There are also 151,236 vacant homes.

Nearly 300,000 persons live in Buenos Aires' 27,220 rental housing units. The poorest among them and illegal immigrants dwell in substandard housing, occupied homes, and illegal hotels because they are closer to their work and have access to some services that are nonexistent in housing for indigents.

Indigent housing in the federal capital totaled 34 units in 1966, but that number had been halved by 1991. A total of 50,945 persons are now living in 17 such housing units. One significant fact is that 213,823 persons lived in these units in 1976, the vast majority of which were moved to Buenos Aires.

"The population of Buenos Aires reached 2,982,580 persons in 1947 and has not grown since. Rather, it is dropping, while young people are moving toward Greater Buenos Aires in search of more accessible housing and better job opportunities," CLARIN was told by Norberto Rodriguez, head of the Municipal Directorate of Statistics and the Census.

Lack of Investments

"Buenos Aires is a city that no longer attracts the young, nor does it retain its base population, meaning its own young people. Between 1947 and now, Greater Buenos Aires has reached nearly 8 million, while our city has remained stagnant," Rodriguez says. "The city has greatly deteriorated, as if it had many more people than the statistics show, but that deterioration is related to the lack of investments. In 1947, all public service systems were nearly new and far fewer autos were in circulation than is currently the case."

The population expert says, "There are a number of sociological explanations for what is happening: Buenos Aires has become a mainly residential city where a nucleus of medium- and high-income groups with high levels of education and consumption live. These groups have fewer children."

"The real estate business can also help us understand what is happening. There is an exodus from the entire central zone. Apartments formerly inhabited by families have now been turned into offices or commercial property. Older residents in a better economic situation are moving to other areas," Rodriguez explained. Population studies show that "Buenos Aires is now a service city with more commercial and bank employees than metallurgical workers."

Based on data from the Continuing Survey of Households made in 1991 by the National Institute of Statistics and the Census (INDEC) and percentages of the economically active population (PEA) throughout the country, it is estimated that the PEA in the federal capital totals 1.35 million persons. Of that number, 216,000 persons (16 percent) work in industry, 275,400 (20.4 percent) in commerce, 85,050 (6.3 percent) in transport, 207,900 (15.4 percent) in finance, 502,200 (37.2 percent) in services, and 63,450 (4.7 percent) in other activities.

The demographic study titled "The Occupational Situation in the City of Buenos Aires, 1974-92," completed by sociologist Oscar Martinez, shows that during the period studied, there was a structural increase in levels of unemployment and employment in the city. According to Martinez, the branches of production that expanded the most in the federal capital were finance and services (these activities practically doubled during the period), and there was a noteworthy decline in employment in big industrial plants. Other studies indicate that by May of 1992, five percent of the PEA in Buenos Aires was unemployed, a historic record.

All these data go together to form a map of a Buenos Aires that will show a different face in the 1990's: a city whose neighborhoods are turning into bedroom communities and whose core is increasingly a public living room used by business but deserted by nightfall. Its inhabitants seek refuge in their private worlds: their homes, apartments, weekend retreats, or country clubs.

Bolivia

Foreign Minister Comments on 23d OAS Assembly

PY1606184093 La Paz Television Nacional Network in Spanish 0000 GMT 16 Jun 93

[Text] Foreign Minister Ronald MacLean Abaroa has explained the results of his participation in the 23d OAS Assembly held in Managua, Nicaragua.

At the conference MacLean again discussed the Bolivian landlock situation, stating that the Bolivian proposal was well received at the international meeting of nations, and included support from countries such as Panama, the Dominican Republic, Colombia, and Brazil.

[Begin MacLean recording] However, we need to make some explanations. First of all, it was agreed that the OAS has the authority to deal with this matter. This represents important progress. Second, we cannot say that all problems in Bolivia have been overcome. On the contrary, according to the statement, we must be careful [passage indistinct] the statement made by the Chilean foreign minister that he viewed positively and with satisfaction the possible future resumption of relations between the two countries. [end recording]

The foreign minister added that Bolivia and Chile must wait for the changes in the administrations of the two countries, but that Bolivia has set the legal groundwork for solving the set of maritime problems.

[Begin recording] [Unidentified reporter] What is the level of development in the negotiations completed by this government, and what is left as a legacy to the next government?

[MacLean] I think we have managed to change the course of our foreign policy, and I also believe we have greater possibilities today for achieving greater progress. In the past we had no opportunities to progress; the country was immobilized by a belligerent country with desires for confrontation, and by a war- mongering policy which does not correspond to current times or to the historical or current situation, because the country is basically peaceful and must also deal with its development needs. [end recording]

Brazil

Reactions to Cardoso's Economic Plan

PY1706180093 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 15 Jun 93 p 16

[Text] The FHC [Finance Minister Fernando Henrique Cardoso] Plan was received in the whole country more support than criticism. Former Central Bank President Affonso Celso Pastore said that the finance minister is adopting fiscal measures which will, if it is implemented intensely, stop the public deficit. It is the consensus among businessmen and politicians that, although it goes a long way, it is not enough to curb the inflation. Most of them say they "want to wait for the rest" of the plan, adding that additional measures will be announced in a week or perhaps a few months." [quotation marks as published]

Bahia Governor Antonio Carlos Magalhaes made this criticism of the plan: There is no credibility in the president of the Republic. Yet Magalhaes promised to support Minister Cardoso.

Sideval Aroni, president of the Sao Paulo Economists Association, highlighted a difference between the FHC Plan and other stabilization plans: Unlike other plans, this one begins with the fiscal aspect—by controlling the public accounts—and then, depending on the results, implements direct action against inflation, which is the correct way to do it. All other plans neglected the government part and failed for that reason. He said: "The measures are strong, serious, and consistent." Deputy and economist Roberto Campos pointed out what he considers the weak points of the plan: The privatization of the Vale do Rio Doce Company and the electricity companies, not just the sale of the minority shares: The abolishment of the law that prohibits the use of foreign currency in the privatization process: The constitutional amendment to privatize Telebras [Brazilian Telecommunications Inc.]. Campos said: "The minister is on the correct path, he is somewhat timid in the face of the enormously serious current situation."

The Sao Paulo State Federation of Industries (FIESP) has reacted with support for the measures announced, with the exception of the Provisional Tax on Financial Operations (IPMF). The new tax was mentioned by President Itamar as a source of revenue for the government. The FIESP has already expressed its opposition to the so-called tax on checks.

"I am not excited, I am hopeful because if the measures are implemented inflation may drop and economic growth may increase," said FIESP President Carlos Eduardo Moreira Ferreira. He added that he awaits further details on the $6 billion cut from the budget which "should not cause recession."

Businessmen want the government to define the difference between a tax evader and a defaulter—who should be allowed to pay his back taxes in installments. This position has been defended for years by the FIESP.

FIESP Economy Department Director Aldo Lorenzetti believes that registering individuals and companies who have pending debts with the revenue office could work out. He recalled that this was the only way the Social Security Minister Antonio Britto managed to streamline the social security system.

Emerson Kapaz, president of the Brazilian Toy Industry Association, says that the $6 billion cut is a way to obtain support from society to later cut the remaining $14 billion. "Businessmen will choke when they realize that the government is cutting their flesh," he said. Kapaz said that the only way to effectively combat tax evasion is to be "really hard" with those who do not pay taxes.

Paulo Brant, vice president of the Bank of Minas Gerais (BEMGE), has said: Any state bank not complying with the guidelines of the Central Bank should be treated like a common bank.

Pernambuco Finance Secretary Luiz Otavio Cavalcanti has said: The government is correct in calling in the debts of the largest debtor states: Sao Paulo, Minas Gerais, and Rio Grande do Sul.

Paulo Henrique Lopez, president of the Bank of Pernambuco State (Bandepe), has said: There should be a timetable to allow banks to adapt to the streamlining of public finances.

Jose Alencar Gomes da Silva, president of the Minas Gerais State Federation of Industries (FIEMG), has said: Resources for education, health, agriculture, and transportation should not be cut. The rest may be discussed.

Economist Yeda Crusius, former planning minister, has said: State governments will accept the federal government terms to reschedule their debts. If they do not, the governors will be in a bad position. The plan is basically the same as that of former Minister Haddad.

Teophilo de Azeredo Santos, president of the Rio de Janeiro State Bank Association, has said: It is not the best path, but it is the only one that remains. A lot of people will oppose it, even though they may applaud it in public. They will pressure to prevent the private sector adjustment.

Bamerindus Bank Management President Mauricio Schulman has said: The important thing is that money generated by society will remain with society, untouched by the federal government.

Economist Eduardo Modiano has said: The government is right to keep preferential shares in privatized state enterprise because some enterprises have good prospects of making a real profit. Among these are telecommunication companies and banks. In other cases, the government might find it has been left with a hot potato.

Luiz Carlos Mandelli, president of the Rio Grande do Sul State Federation of Industries, has said: The plan is good although it has flaws; it does not provide for the privatization of railroads or for the autonomy of the Central Bank.

Antonio Carlos Magalhaes (PFL) [Liberal Front Party], governor of Bahia State, has said: Bahia will help the minister with his plan to curb inflation. I am doubtful if it will be successful because I do not believe the government will be impartial when it has to cut expenditures. This is yet another economic plan that will only discredit the government and damage the peoples' trust.

Jorge Bittar, PT [Workers Party] leader in the Rio de Janeiro Council, has said: Some measures are necessary to curb inflation but structural measures are also needed, like the reorganization of the financial system, an administrative reform, and the reorganization of the Federal Revenue Office.

Ceara State Governor Ciro Gomes of the (PSDB) [Brazilian Social Democracy Party] has said: The plan is bitterly realistic. I also recommend a total war against the abusive use of fringe benefits and privileges that merely cause prices and utility rates to rocket.

Roberto Caiuby Vidigal, Confab [National Brazilian Steel Forging Company] director, has said: This was the only alternative left. I only urge politicians to put demagoguery aside. I am against the IPMF because it has a cascade effect and burdens exports.

Cardoso 'One of the Favorites' in Presidential Race

PY1706232993 Sao Paulo FOLHA DE SAO PAULO in Portuguese 13 Jun 93 Section 1 p 15

[Report by Wilson Silveira]

[Text] In the first survey that includes his name as a presidential candidate, Finance Minister Fernando Henrique Cardoso appears as one of the favorites according to Sao Paulo residents. If the name of Senator Mario Covas (PSDB-SP) [Brazilian Social Democracy Party-Sao Paulo] is substituted as the party candidate, Covas even leads PT [Workers Party] candidate Luis Inacio Lula da Silva, who leads in a national survey.

The DataFOLHA survey was conducted on 9 June in Sao Paulo, which has 6.1 million voters, or just under 7 percent of the national electorate (90.2 million voters). The survey investigated four different possibilities alternating the names of Fernando Henrique Cardoso and Mario Covas, for the PSDB, and Orestes Quercia and Luiz Antonio Fleury Filho for the PMDB [Brazilian Democratic Movement Party].

On the two occasions that the finance minister is presented as a PSDB candidate he obtains the third place with 17 percent. On one occasion he finishes in a technical tie with Sao Paulo Mayor Paulo Maluf (PPR) [Progressive Renewal Party] who comes in second place. On this occasion the PMDB candidate is Sao Paulo Governor Luiz Antonio Fleury Filho.

When the PMDB candidate is Orestes Quercia, the preference for Maluf increases to a clear second place. Governor Fleury is ahead of former Governor Quercia who stays on the sidelines due to PMDB internal disagreements amidst a series of reports on irregularities involving his name and that of his former assistants.

Lula comes first when the PSDB candidate is Fernando Henrique Cardoso, but loses first place to Covas on both occasions when the senator is the candidate. Covas says he will not run for president. Lula leads the spontaneous survey, so named because the surveyor does not present any names to the interviewee. The PT leader receives 8 percent, with Covas in third place.

All other candidates fail to obtain more than 5 percent in any combination. They are Governors Leonel Brizola (PDT-RJ) [Democratic Labor Party - Rio de Janeiro], Antonio Carlos Magalhaes (PFL-BA) [Liberal Front Party - Bahia], Helio Garcia (without party - MG) [Minas Gerais], and Joaquim Francisco (without party - PE) [Pernambuco], by order of preferences.

The number of votes marked blank, null, or without preference is high overall (between 16 and 21 percent).

Brizola and Maluf have the largest rejection rate (46 percent). They are followed by Quercia (42 percent), Lula (38 percent), Antonio Carlos Magalhaes (26 percent) and Fleury (23 percent).

Sao Paulo Governor Questions State Debt Figures

PY1806001393 Rio de Janeiro O GLOBO in Portuguese 16 Jun 93 p 1

[Text] Sao Paulo Governor Luiz Antonio Fleury yesterday reacted angrily to the federal government decision to collect the debts of state governments—one of the pillars of Finance Minister Fernando Henrique Cardoso's plan—and denied the Finance Ministry's insinuation that the Sao Paulo State Government's debt totals $13.6 billion. Sao Paulo State Government is believed to have benefited most from the rescheduling of its debt and from controversial operations approved by the Banespa [Sao Paulo State Bank]. Fleury said that because the federal government owes money to Sao Paulo State, the state government's debt stands at just $1.1 billion. He demanded that the federal government pay its debt to Sao Paulo State.

Fleury said: If the federal government fails to do so, the new program will become just a half-truth. He considers Cardoso's economic plan to be inadequate. Yet, businessmen and the financial market have reacted positively to the plan. The stock market showed a 1.2 percent gain in Rio Janeiro and a 1.6 percent gain in Sao Paulo and the U.S. dollar remained stable.

Although criticizing Cardoso's plan, Bahia State Governor Antonio Carlos Magalhaes—an avowed critic of the Franco administration—said yesterday that he is willing to negotiate payment of the state's $1.3 billion debt to the federal government "as long as one state is not spared to the detriment of another." Equal rules must be applied to all states, he said.

Cibilis Viana, Rio de Janeiro State finance secretary, has denied that the Rio de Janeiro State Government has defaulted on its payments to the federal government. In a note addressed to Clovis Carvalho, Finance Ministry executive secretary, Viana stated that the Rio government's tax and contributions payments to the federal government are entirely up to date.

Sao Paulo State Governor Interviewed

PY1706191993 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 13 June 93 Economy and Finances Section p 4

[Interview with Sao Paulo State Governor Luiz Antonio Fleury Filho by Fernando Pesciotta—date and place not given]

[Text] [Pesciotta] How do you view the need to cut state government spending as planned by Finance Minister Fernando Henrique Cardoso to achieve economic stability?

[Fleury] I feel at ease with cost cutting. We cut state expenses during the 1991-1992 term, and it is our goal for this year to cut costs in state-owned companies, government contracts, and management. I have just passed a decree cutting state costs by 15 percent. We are cutting to the bone. All superfluous costs have already been cut. We are implementing a program to cut expenses in state-owned companies. By the end of the first half of the year we will have cut costs by 10 percent compared with the same period last year. Moreover, I have established a limit on transfers of treasury resources to state-owned companies.

[Pesciotta] Are reports that Sao Paulo State owes $20 billion to the federal government true?

[Fleury] We have fully investigated this. I can assure you that these figures do not refer to the debt, they refer delays in payment. The debt must be based on the gross domestic product of each state. Preliminary studies indicate that our debt with the Treasury does not relate to the figures divulged by the press. Moreover, I can confirm that our commitments with the foreign debt are rigorously in order.

[Pesciotta] Is it true that state-owned companies are covering state bills?

[Fleury] No. State-owned companies only finance their own expenses. Contracted debts have not been met because the federal government wanted to resolve the problem at one attempt. We achieved agreement with the BNDES [National Bank for Economic and Social Development] but a sectorial agreement was not approved. We repaid part of our debt with the CEF [Federal Savings Bank]. It totaled $780 million in 1992, while our rollover of the debt in the same year totalled $900 million. We are up to date with private banks. There is talk about Banespa [Sao Paulo State Bank] but this situation is balanced.

[Pesciotta] Have you already assured your support to Finance Minister Cardoso over his economic stability plan?

[Fleury] I am in favor of balancing the rollover of state debts and implementing budget cuts. I am absolutely in favor of that.

[Pesciotta] How will the rollover of state debts be achieved?

[Fleury] I told the finance minister that the states, in general, want to solve the problem. The federal government has not found a solution. Fernando Henrique Cardoso is the sixth finance minister with whom we will negotiate. State governments want an agreement based on their ability to pay. What is the point of demanding 11 percent in the first year if the states are in no condition to pay. No one is asking for advantages. Each month that goes by, I cut more projects. All planned projects have decreased according to the drop in tax collection and the payment of debts. For example, our debt with Banespa by June 1992 was supposed to total $1.7 billion. By June 1991, the debt totalled $4.9 billion.

[Pesciotta] Do you support the idea that state governments and the federal government should define who owes whom?

[Fleury] Exactly. Who owes whom in the electric power area. The federal government refuses to do this. Everyone talks about the states' debt, but what about the federal government's debt?

[Pesciotta] To resolve the debt situation and achieve a financial balance, expenses must be cut. Do you have any political prejudices? Will you run this risk?

[Fleury] Analysts do not pay attention to the fact that the state renders account on a monthly basis. I have told mayors that they cannot start new projects. The order is to cut even if it means running the risk of causing political damage for not completing some works. There is no alternative.

[Pesciotta] Have other PMDB [Brazilian Democratic Movement Party] governors accepted this agreement with the finance minister?

[Fleury] I believe so. State governments have already implemented as many cuts as possible. What needs to be defined is the payment flow. The government mentioned 11 percent and accepts 9 percent, but state governments want 7 percent. We could reach a mid point. We could agree to 8 percent. But all this depends on negotiations and reviewing the situation. The Collor administration talked of 17 percent, which was unreal. I have instructed my bloc to support budget cuts but with exceptions. A freeze on the transfer of educational insurance [seguro-educacao] is, for example, unconstitutional and we will fight it. We want the money and we will go to court if by the end of the week the federal government does not cancel the decree that prohibits this transfer. This transfer is not voluntary, is mandatory. The federal government cannot touch education salaries.

[Pesciotta] Is the amount significant?

[Fleury] It is. I remember that Sao Paulo collects 52 percent of federal taxes but only 4 percent are returned. We will not give in on that which is mandatory. The voluntary transfer is negotiable. In the health area, this week we received the allotment for March with a 58 percent cut.

[Pesciotta] Has the economic recovery during the past few months resulted in increased state tax collection?

[Fleury] Very little. Tax evasion is the great problem.

Chile

Aylwin Comments on Human Rights Violations Trials

PY1806025593 Santiago Radio Cooperativa Network in Spanish 2300 GMT 17 Jun 93

[Report by Veronica Franco]

[Text] The president of the Republic today said that his government will insist as far as possible in attaining justice in the field of human rights violations which took place during the time of the regime. He also said that when he estimated that the transition to democracy finished nearly two years ago, he had a rather optimistic vision of things, given that there are still pending problems.

The president made these statements during a conversation with the media during his tour of the 9th and 10th Regions.

[Begin Aylwin recording] I think that when I said that the transition was over, I based this on a somewhat optimistic vision of some aspects which facts later demonstrated are still pending. However, there are reasonable ways to solve this. I do not think that any measure of force, be it by public institutions or by private groups or individuals, will solve this kind of problem. [end recording]

When asked whether he was directly referring to the current relations between the government and the Army, President Aylwin said that the Army is concerned with the extension of pending, unsolved trials and that everyone is interested in the fast resolution of these trials. He stated that the government has never given up its quest for justice for the victims of human rights violations, a position he will maintain until the last day of his administration, he added.

Speaking on another subject, President Aylwin referred to the news saying that Eugenio Berrios, chemist and Dina [National Intelligence Directorate] member, who disappeared in Uruguay, has allegedly turned up in Milan, Italy. The president said he has no information about the case, but in my opinion, he said, it is a strange case that should be clarified by both the Uruguayan and Chilean Governments. He added that it would be satisfactory to know that Berrios is alive.

President Aylwin spoke with the media after meeting with representatives of the Coordinating Board of Indigenous Peoples in Temuco, headed by Jose Santos Millao. Although the Indian leaders called the meeting with the president disappointing, Aylwin said it was positive and that he trusts that the Indian law will be approved during his administration.

Foreign Minister Confirms Berrios in Milan

PY1806010993 Santiago Radio Cooperativa Network in Spanish 2300 GMT 17 Jun 93

[Report from the Foreign Ministry by Mario Contreras]

[Text] Foreign Minister Enrique Silva Cimma has confirmed the news from Uruguay that Uruguayan Government officials have discovered the whereabouts of Chilean biochemist Eugenio Berrios. Minister Silva Cimma spoke for a brief moment as he left the Foreign Ministry on Morande Street.

[Begin Silva Cimma recording] All I can say is that Uruguayan Defense Minister Mariano Brito is now telling

the Uruguayan Chamber of Deputies that Mr. Berrios is allegedly in Milan, that he allegedly went to the Uruguayan consulate in Milan, and that he has informed his family here in Chile that he is in Milan. [end recording]

Silva Cimma said that this seems to be the only authentic version. He said he officially received this news at the Foreign Ministry.

Colombia

Government Signs Vienna Convention To Combat Drugs

PA1806041493 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 18 Jun 93

[Report by Carlos Julio Bethancourt]

[Text] The drug problem no longer negatively affects only a few countries. Its impact has reached the international level. There is no nation on earth that has not felt the scourge of drug trafficking in one way or another.

Based on this and confronted with Colombia's very special situation, the Congress ratified the Vienna Convention, which has already been ratified by 61 nations. The convention is the most efficient instrument to fight the production, marketing, and consumption of drugs and other drug-related tentacles such as crime, money laundering, and gunrunning.

According to Justice Minister Andres Gonzalez, the law of the jungle will no longer rule. First and foremost, because Colombia has a Constitution and because we adhere to international law through the United Nations.

[Begin Gonzalez recording] There is no doubt that we have the disposition and political will to comply with our international commitments. Thus, by approving the convention, we are showing the world that we are not only making very large internal sacrifices, but are also quite willing to assume our responsibilities at an international level. [end recording]

Colombia has four reservations regarding the Vienna Convention, including the nonextradition of nationals. In retribution, it will receive more legal, technical, and economic cooperation. Control, however, must start at home.

President Appoints New Deputy Minister of Defense

PA1806144693 Santa Fe de Bogota EL TIEMPO in Spanish 11 Jun 93 p 8A

[Text] The presidency appointed Juan Pablo Cabal Cabal as Colombia's first deputy minister of defense on 10 June. As of taking his oath, he will have two basic tasks: "Overall quality" and "managerial effort" within the Armed Forces.

The new deputy minister will assume his post during the first week of July 1993. Currently, he is the manager of the Santa Fe de Bogota chapter of the Sugar Cane Grower's Association (Asocana).

The deputy ministry, which was created on 30 December 1992 as part of the so-called state modernization plan promoted by the government, will coordinate and control all decentralized agencies under the Defense Ministry.

The new post will control agencies such as the Police and Military Forces Rotation Fund, the Military Hospital, the State Military Industry Enterprise, the Military Housing Fund, and 15 other decentralized entities.

The structure of the new deputy ministry will be conceived to deal exclusively with the administrative management of these entities. It will have nothing to do with the Armed Forces' chain of command or the operational aspect.

The new deputy ministry will also be tasked with advising the defense minister on issues pertaining to development, duties and functions.

Upon learning of his appointment on 10 June, Cabal told EL TIEMPO that "my job as deputy minister, as the name suggests, will relate to the coordination of the decentralized entities. It is purely procedural and has nothing to do with the chain of command or operational responsibilities."

He added that the "goal is to optimize the work at those agencies and conform it to the state modernization strategy."

Cabal said that we must consider the administrative aspect of the Ministry, "which is not bad. On the contrary, in this case it is quite the opposite."

Cabal, 37, is a native of Buga (Valle del Cauca) and is an economist from Andes University and has postgraduate studies in financing at American University in Washington and at Andes University.

The new deputy minister has been an adviser for the National Planning Department and the Economic Development Ministry.

Paraguay

GATT Council Approves Country's Membership

PY1706224493 Asuncion ULTIMA HORA in Spanish 16 Jun 93 p 11

[Text] The GATT Contracting Council has considered almost over the issue of Paraguayan membership after GATT members voted in favor of admission. Foreign Minister Alexis Frutos Vaesken received the news from Geneva. Frutos commented that the GATT commission studying Paraguayan application presented a positive report to the Council's plenum meeting.

The foreign minister said: "I have a report saying that practically no member opposed Paraguay's application to join GATT."

Frutos said that our country needed the votes of two-thirds of the 111 members, adding that today's vote was a mere formality "because our country membership was imminent after a 20-year effort."

The minister said that our country's entry was approved just before the end of the Uruguay round and the country will benefit from all tariff concessions and privileges agreed upon there.

Regarding the voting process the foreign minister said the final vote result might still take time to receive because many member countries do not have permanent representatives at GATT and instead must mail their votes.

Frutos Vaesken said that once the voting result became known our country will sign the Membership Protocol but it will become a member only after some 30 days. The minister said first the Congress must approve the Membership Protocol and then it must be presented at GATT headquarters in Geneva. "Only then will our country become member number 112," Frutos added.

The minister said that our application was supported by the United States, the EC, and all Latin American countries.

Ambassador Luis Gonzalez Arias followed the voting proceedings. Frutos said that Arias is empowered to sign the Membership Protocol.

The foreign minister said that once Paraguay's membership is finalized, the country will join the working group studying Russia's application, which was at the top of today's agenda.

Wasmosy, Brazil's Franco Discuss Itaipu Administration

PY1706230893 Asuncion ABC COLOR in Spanish 16 Jun 93 p 6

[Article by "special correspondent" in Brasilia Hector Guerin]

[Text] [Paraguayan President-elect] Juan Carlos Wasmosy has reported that he proposed to Brazilian President Itamar Franco a return to the old Itaipu Binational Entity statute, disregarding the controversial Annex "A" negotiated in early 1991 and implemented without the approval of the Paraguayan Congress.

It was after the meeting he held in Brasilia with President Itamar Franco at Planalto Palace, the Brazilian Executive Branch Palace, where he was received in his capacity as the future president of the Republic of Paraguay.

The current Annex "A" was harshly criticized in our country, among other things, because it grants Brazil, on a permanent basis, without any possible changes, the directorships of the administration and operations boards, the two most important departments, leaving to Paraguay those of maintenance and supply.

Wasmosy proposed the return to the old Annex "A" until a solution is found or an agreement is reached between the Governments of Paraguay and Brazil to approve a new annex, which, he said, must come out of a study that guarantees that it will not affect the interests of either country.

The Brazilian partners took note of the proposal and promised to study it, as well as to seek a way to sell the surplus energy, which is currently wasted because neither Brazil nor Paraguay are using at this moment, estimated at some 20 percent of the generation capacity.

Concerning Itaipu's $42.8 million debt to Paraguay, for royalties and compensations, Wasmosy said that it will be paid before the end of the month, as promised by Itamar Franco.

Itaipu has accrued a large debt to Paraguay because Furnas [Furnas Electric Power Plants, Inc.] and Eletrobras [Brazilian Electric Power Company, Inc.], the Brazilian electricity companies, have contracted large debts to Itaipu, which by 31 May was $4,682,700,000.

According to Wasmosy, those companies will begin to pay their debts this month, which will allow our country to receive its portion.

Likewise, the president-elect and the members of his delegation proposed to their Brazilian counterparts the sale of the unused energy generated by Itaipu to third countries, ratifying the position adopted by Wasmosy in this regard.

The idea is to sell by common agreement that portion of energy which is not currently contracted by Brazil or Paraguay. It is estimated that more than 20 percent of the water that runs through Itaipu dam is not currently transformed into electricity because of the lack of contracts by partners Brazil and Paraguay, although the treaty obliges to contract all the installed capacity.

Enzo Debernardi, who was a member of the delegation along with Paraguay's Central Bank President Jose Enrique Paez, said that more than 20 percent of the water is not used and that the objective is to conduct a study to transfer that energy to a possible buyer.

He added that nothing has been said yet about renegotiation, but rather about a desire for a study of the case.

It is appropriate to explain that we are dealing exclusively with the two countries' energy surplus, not with the 50 percent of the energy generated by Itaipu which is freely available and belongs to Paraguay.

Oviedo Discusses Military Party, Possible Candidacy

PY1706213493 Asuncion ABC COLOR in Spanish 17 Jun 93 p 8

[By "special correspondent"]

[Excerpts] Buenos Aires — General Lino Cesar Oviedo, commander of Army 1st Corps, indicated on 16 June in this capital that it is absurd to believe in the creation of a military political party taking into account that the Constitution prohibits it. In an interview with journalists, Oviedo hinted that he could possibly be a presidential candidate for 1998-2003.

"It is absurd to believe in the creation of a military political party, because the constitution prohibits it. We consider that information to be part of a psychological operation," Oviedo said, referring to the charges made by members of the Institutionalist Military Movement.

"The idea is absurd," he repeated, when journalists insisted on a reaction. [passage omitted]

Also in the interview, Oviedo did not reject the possibility of eventually becoming a presidential candidate in 1998.

"It is a question to be raised at the appropriate time, not now," he stressed as he highlighted the fact that he is a man who likes specifics and current circumstances. However, he also emphasized in a sarcastic tone that all that had been offered to him up to the present was his retirement.

"My retirement is all that they have offered me, that I have to go to jail, and that this, that, and the other; but I have never stolen, I have never smuggled anything, and I have not been involved in the trafficking of stolen cars or in any abnormal activity. They are looking at me with a magnifying glass, but I do not care. On the contrary, it is to my advantage," he stressed.

When he was asked if he would run for the presidency if he was retired, he said that "is something that must be evaluated at the appropriate time, because life is a question of intangibles, of circumstances and facts."

The high-ranking military chief was also asked about the idea of postponing the Mercosur [Common Market of the South] deadlines, but he avoided answering the question by saying that he did not want to involve himself in matters that do not pertain to the military sphere.

"I have no opinion on the matter, therefore I do not want to say anything, and even less so if it has a political tint," he added.

Oviedo also highlighted the fact that the current fallibility of Latin America's political leadership is due to the lack of complying with election promises. "There are many who assume power after making grandiloquent promises, but once they are on top they forget about the promises they made during their election campaigns. That is a great error," he said.

Peru

De La Puente on Resuming Relations With Venezuela

PA1806035593 Lima Global de Television Network in Spanish 0127 GMT 18 Jun 93

[Text] Foreign Minister Oscar De La Puente Raygada has announced that diplomatic relations with Venezuela, which were suspended unilaterally by former President Carlos Andres Perez, will be resumed soon.

[Begin recording] [De La Puente] Luckily, Ecuadoran Foreign Minister Diego Paredes and I have been holding a series of meetings at the different forums in which we have met, at the express request of Presidents Duran-Ballen and Fujimori. We have even held some private meetings in which we have designed a policy of improving bilateral relations. This will culminate with a visit by President Duran-Ballen in Lima by the end of this year.

[Unidentified reporter] [words indistinct] diplomatic tone it has been said clearly that the gentlemen's agreement between our nations has not been respected.

[De La Puente] This statement was made by the Ecuadoran Armed Forces chief, but it was made in keeping with the statement made by the Ecuadoran foreign minister at the time of the explanation. He said that this topic is one of the many topics that make up our bilateral problems. These issues have been dealt with within the fruitful and friendly relationship of the two Foreign Ministries since President Fujimori visited Ecuador on three consecutive occasions. This year President Duran-Ballen will honor Peru with his visit.

[Reporter] [words indistinct] the Peruvian Government?

[De La Puente] I think that it has been one of the frequent consultations made normally in every Foreign Ministry, when it comes to informing the Consultative Committees.

We in Peru also have a Consultative Committee and maintain permanent contact with all the Foreign Ministries of Latin America. Within a short time, we hope to restore diplomatic relations with Venezuela.

The level of relations between Peru and its brotherly countries of the hemisphere ratifies the peaceful trend Peru has permanently promoted. [end recording]

State of Emergency Extended in Several Provinces

PA1706185693 Lima Radio Programas del Peru Network in Spanish 1800 GMT 17 Jun 93

[Text] At the request of the Armed Forces, the executive branch has extended the state of emergency in various provinces of the country's interior. The extension covers the provinces in Puno, San Martin, Huanuco, Junin, Huancavelica, and Ayacucho Departments, as well as (Chunimaguas) District in Loreto.

Therefore, individual constitutional guarantees continue suspended throughout the duration of the state of emergency for the next 60 days.